FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

...lster ...olice ...orce to ...xpand

...ster is a have a stronger and ...anded police force, Mr. ...liam Whitelaw, Secretary of ...te, said.

...he statement, made at a ...ice dinner in the Province, was ...iously intended to end specu...on about the force so that ...missions could take place with ...political parties on ways in ...ich effective policing could be ...tored.

...n Belfast, members of the ...cial IRA stayed away from ...funeral of two Provo officers. ...ere are growing fears that the ...sitive truce between the two ...gs may be broken. Back Page

...UC fight ...n pensions

...ossibility of industrial action ...behalf of old age pensioners ...winter emerged from deci...ns reached by the Trades ...on Congress.

...he Congress called for £10 a ...k for single pensioners and ...a week for married couples, ...h subsequent increases to ...nter inflation. Back Page ...Conference report page 23.

...S. Congress ...sumes to-day

...e U.S. Congress resumes to-day ...er the summer recess with the ...ministration's Trade Bill a ...ority measure. Observers say ...esident Nixon is unlikely to ...given authority to negotiate ...new multilateral trade agree...ent at an early date.

The President is expected to ...ake a determined effort to ...cover the political initiative ...d press forward with business ...neglected because of Water...ate." Page 5

...holera claims ...8th victim

...ghteen people have died in the ...tbreak of cholera which started ...Naples 11 days ago. Although ...cases are still being ...orted, authorities predict that ...disease will "soon wane."

...he Italian Health Ministry has ...ned the sale, cultivation, ...ort and transport of shellfish, ...ntified as the source of the ...ase. Back Page

...N action ...Rhodesia

...15-nation Sanctions Commit... of the United Nations has ...ealed for private individuals ...end it any information they ...about suspected violations ...he trade embargo against ...desia.

...terial supplied will be ...ed as confidential if infor...s wish, the committee says. ...erto it has relied mainly on ...rnments for information.

...aplin—or ...gger Stansted

...laplin be abandoned the ...opment of Stansted as a ...r airport for London would ...ost inevitably" occur, Mr. ...Foulkes, chairman of the ...sh Airports Authority, says. ...recasts indicated around ...passengers a year in ...on and the south-east by ...Page 12

...ts warning

...John Peyton, Transport ...ter, gave a warning that ...gh he would prefer to ...ade people to wear seat ...all the evidence suggested ...was no other way than ...compulsion to achieve a ...d reduction in road casual-

...efly ...

...London Evening News ...es production to-day. It ...een affected for two days ...industrial dispute.

...opkeeper's wife from Ger... was fined £200 in London ...shoplifting.

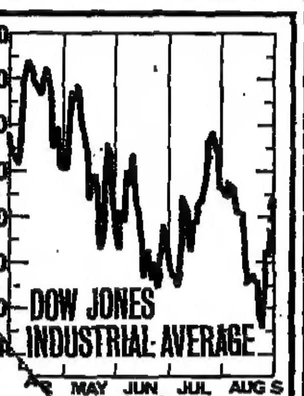
...n carpet fetched £3,000 at ...ps auction.

...yors of adulterated food ...ife sentences under a new ...Bengal law.

BUSINESS

Equities slip another 3.8 points

● EQUITIES continued to suffer from lack of investment interest and it took only light selling to depress the higher-price leaders by up to 8p. The FT 30-Share Index fell 3.8 to 406.1, its lowest level since November 1971.



● GILTS were slightly steadier.

● GOLD rose $1 to $105.50 an ounce.

● STERLING weighted depreciation from Smithsonian parities was 17.76 per cent. (17.22). Against the dollar the pound lost 149½ points to $2.4415.

● WALL STREET was 7.82 up at 895.39 at the close.

● TURNOVER in all sectors on the London Stock Exchange dropped last month to the lowest level of the year. The number of bargains fell by 123,000 to 411,156 compared with July. Page 30

● WORLD TRADE continued to increase in the first quarter of this year despite currency unrest, the International Monetary Fund said. Total trade was at an annual rate of $429,200m., 24 per cent. above the first quarter last year. Page 4

● BOWATER Corporation is moving its headquarters in London from Bowater House, Knightsbridge, to Berkeley Square.
Back Page

Vauxhall moves into profit

● VAUXHALL MOTORS achieved a big first half profits turnround. Pre-tax figures were £3.6m. compared with a loss of £2.55m. in the six months last year, and an overall deficit for the year of £4.1m.
Back Page

● GUERNSEY Parliament is to be asked to vote £300,000 for investment grants up to the end of next year to cover up to one-third of the cost of building new glass houses for the horticultural industry.
Page 37

● JAPAN'S Finance Ministry has eased the way for foreign listings on the Tokyo stock exchange by accepting consolidated financial statements.
Page 28

● SEPARATE airport in the London area to cater for business aviation was called for by industrialists at a Business Aircraft Users' Association conference.
Page 13

● SHERRY prices are likely to rise soon, but the quality and quantity of this year's grape crop is better than last year.
Page 29

● ALLIANCE Building Society announce a 20 per cent. cut this month in money available for mortgages. Further restrictions are likely next month "if the present situation continues."

● DECCA pre-tax profits were a record £15.08m. (£7.06m.).
Page 25 and Lex

● TRIDENT TELEVISION made a pre-tax profit of £4.43m. (£3.38m.).
Page 30 and Lex

● IMPERIAL METAL Industries showed a first half pre-tax profit of £10.8m. (£7.3m.).
Page 25 and Lex

...EF PRICE CHANGES

(...s in pence unless otherwise indicated)

RISES		
...y 4pc 1976	£96½	+ ½
...A.)	237	+ 5
...s Stores	126	+ 4
...	332	+ 10
...s	209	+ 5
...Ag. and Mus.	130	+ 4
...Day	94	+ 5
...ploration	104	+ 4
...s' Lamp	995	+ 15
...s	990	+ 30
...Gold	630	+ 15
...Steyn	850	+ 20
...lhoak	460	+ 10
FALLS		
...Harvey Ross	550	− 25
...and NZ	358	− 12
...k Timpo	68	− 4
Deritend	194	− 6
Ellis and Everard	207	− 6
Furness Withy	162	− 11
Glaxo	336	− 6
Grand Met.	103	− 4
IC Gas	645	− 9
Jardine Mathieson	705	− 25
Jardine Secs.	105	− 10
Lane Fox	262	− 4
Meat Trade Suppliers	58	− 5
Nat. West Bank	325	− 7
Norbury Insulation	108	− 8
Ocean Trans.	143	− 7
P and O	269	− 8
Parkinson (Sir L.)	132	− 4
Pegler Hattersley	164	− 8
Sun Alliance	387	− 10
Tate and Lyle	162	− 5
Wrensons Stores	220	− 6
Woodside-Burmah	112	− 10
Bougainville	172	− 8
Broken Hill South	148	− 6
Gopeng	250	− 7
Peko-Wallsend	355	− 10

(FT stock indices and FT-Actuaries summary Page 39.)

Heath reaffirms 'go for growth' pledge

BY JOHN BOURNE, LOBBY EDITOR

MR. EDWARD HEATH, the Prime Minister, yesterday reaffirmed the Government's determination to go for growth, in spite of the latest unsatisfactory economic indicators, and of warnings by those whom he described as "prophets of gloom."

Mr. Heath's drive for growth message came in a statement issued after a visit to the Medway Government Training Centre at Gillingham, Kent.

Later in the day, at a Conservative Party meeting at Gravesend, the Prime Minister again emphasised that there would be "no going back, no loss of nerve.

"For 25 years," he said, "we have failed to face the problem of how to adapt this country and its people to the needs of the modern world: how to adapt our industry to the requirements of our consumption at home and exports abroad.

"Time after time governments have tried to expand and when we have got to the point where we are now they have lost their nerve and the timorous voices have prevailed and they have drawn back. This time there is going to be no going back.

"This is my message! We have embarked on this policy and we are going to see it through: we are going to improve the standard of living of our people. It is for the Government to take a lead and for the Government to take the decision. We believe that in pursuing this policy we have your whole-hearted support."

It coincides with growing concern over the Government's economic policy on the part of some Tory backbenchers as well as a number of independent economists.

In his Gillingham statement, Mr. Heath severely criticised those employers who sought to outbid each other for skilled labour now in short supply.

Stopping expansion would not put Britain in a position to expand better in future—exactly the reverse. It would destroy the hard-won confidence now existing in British industry that there would be a profitable future for investment in factories, plant and machinery to keep the longer-term expansion going.

"Are we then to allow those short of labour to pay more in order to attract it to them? To bid up and so poach from their neighbours? Surely not.

"That can only lead to counter-bids from those who find themselves denuded. This solves no problems but adds yet further twists to the inflationary wage spiral.

"Neither stopping the expansion nor allowing employers to out-bid each other for labour provides any solution to the real problem facing Britain.

"The real problem which has confronted this country for more than a quarter of a century is how to adapt ourselves to the needs of a modern changing economy. Each time we have been brought up against it in the past, we have funked it. This time we are going to win through."

Employers all over the country should "at once set about increasing the number of people they are training" and make arrangements for employing part-time workers where those were available.

The steady expansion of the economy continued and was vital because from that stemmed the future hopes of the people for an improvement in real living standards, he declared.

"From the very success of this expansion arises various problems, among them a shortage in certain areas of labour, in particular, of certain skills.

"Some employers complain they are unable to recruit the number and types of workers they require. Yet there are still 530,000 adults unemployed in Britain. We must add to that the tens of thousands of women not registered who would like full or part-time jobs."

Allowing for the number now changing jobs, "we are still not using to the full our precious resources of man and woman power. What then are we to do? Stop the expansion, as the prophets of gloom constantly urge upon us? Indeed not.

"The present problems of labour procurement, admittedly limited, prove not that as a nation we are incapable of sustaining expansion, but that we are not at present as well organised as we need to be for this purpose."

This time, Britain could win through by speedily training and retraining those needed for the increasing number of jobs, by getting the new factories into the areas where the trained workers were, and by providing facilities for the newly-trained to go to companies which could provide more jobs.

It would also be achieved by providing inducements to employers and workers while they were waiting for the present investment to come into operation. "All this the Government is doing."

Britain was not going to go back to "the bad old days of a stagnant economy nor to the self-defeating game of poaching each other's workers." Mr. Heath admitted, however, that the Government had similar problems.

Mr. Heath stressed that in the current talks with industry, the Government, employers and unions had agreed to co-operate to provide the skilled workers and trained management necessary to meet the demands—now clearly shown—of our expanding economy.

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Clearing banks' table Page 40

Establishment of the Manpower Services Commission in January would see all sides of industry working towards that objective.

The Pay Board and Whitehall are aware of reports that some employers, particularly in engineering and construction, are breaking the £1 plus 4 per cent. ceiling for pay increases.

Consumer spending rising again

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

CONSUMER SPENDING in the U.K. appears to have resumed its upwards trend following the downturn which occurred after the pre-VAT spending boom in the first quarter of this year.

Yesterday, the Department of Trade and Industry issued figures showing that the volume of retail sales rose by a further 1 per cent. between June and July, bringing the official index to 115.9 (base year 1966=100).

Because of the pre-VAT boom, the normally reliable three-monthly comparison is still distorted, and shows a 1.9 per cent. drop in sales between February-April and May-July.

Sales have been recovering since May, and the July outturn conflicts with the Treasury's tentative suggestion in its August review of the economic situation that "retail sales in July may show little change from their June level."

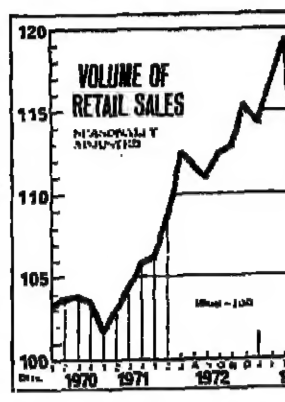
Retail sales account for about half of total consumer spending.

In the current debate about the state of the economy Government sources have tended to claim that the consumer boom was slowing down of its own accord. The DTI maintained yesterday that "it is too early to say whether (the recent rise) is "indicative of resumed buoyancy in retail trade."

The June and July upturn was experienced in both food and non-food shops, with a particularly sharp increase in the sales of consumer durables.

Figures for retailers instalment credit sales show a jump in h.p. business between June and July, when the total debt outstanding to finance houses and retailers rose a further £34m. to £2,284m.

The contribution of bank and h.p. credit to consumer spending has been much smaller in recent months than during the first quarter. The key influence has been a revival in the growth of earnings and real disposable



income, after the pause which occurred earlier in the year.

One of the main areas of contention between the Government and critics of its economic policies is the extent to which continued growth in consumer spending will pre-empt resources which ought to be destined for exports and industrial investment.

According to one school of thought—which has adherents in Whitehall—there is little scope for further increases in consumer spending, in view of the sharp rise experienced over the past 18 months, and the demands which investment and exports and public spending are likely to make.

On the other hand, it is equally argued within Whitehall that any action to deflate the economy now would lead to a recession by 1975.

On present policies, according to the independent National Institute of Economic and Social Research, the 7.3 per cent. growth in consumer spending between the fourth quarters of 1971 and 1972 will be followed by an expansion of slightly less than 3 per cent. through this year and next. This forecast assures a tight incomes policy in Phase III.

August drop in reserves put banks under pressure

BY ANTHONY HARRIS

THE BANKING figures published to-day show that money became so tight during the banking month to August 15 that Lloyds, one of the major clearing banks, was unable to meet the officially required reserve ratio—the first time this has happened since the new credit control rules were introduced in September, 1971.

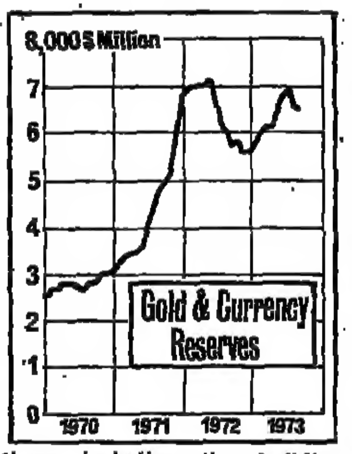
It is understood that this lapse led to a sharp official reprimand at chief executive level.

A major cause of the tightness was the continued reserve drain as the Bank of England bought sterling to support the exchange rate. In August this outflow amounted to $158m.—£46m. from the reserves, which now stand at £2,650m. and the balance from the proceeds of public sector foreign borrowing, after allowing for a £6m. debt service payment.

Nearly all the outflow, as well as the £272m. outflow reported yesterday with the July reserve figures, occurred during the banking month to August 15.

The result was to reduce the Government's domestic borrowing requirement during the month by some £400m.—twice as much as the £194m. taken in special deposits during the month.

The resultant tightness of money drove up short-term interest rates sharply and put pressure on all financial institu-



tions, including the building societies. But there is no evidence in the figures that the clearing banks were attracting funds from the societies.

On the contrary, the figures show that the clearing banks did not succeed in holding on to all the money created by new lending.

The reported figures show a fall of £148m. in total sterling deposit and current accounts, offset by a rise of £283m. in non-bank holdings of sterling Certificates of Deposit, after a rise of sterling lending to U.K. residents — almost all to companies — of £568m.

These comparisons, however, are heavily distorted by the effect of the Sainsbury issue in the previous month, which inflated the reported figures for July by some £400m. and those for bank advances by a much smaller figure.

Allowing for this, there was an underlying rise in deposits of some £250m.—still some £400m. short of the adjusted rise in lending. This gap, like the sharp fall from 14.2 pe rcent. to 13 per cent. in the reserve ratio of the clearing banks, is some measure of the squeeze on the banks' position.

The implications for the money supply cannot be spelled out in detail, since it is not known how much of the rise in lending represented arbitrage operations by companies drawing on their overdraft facilities to invest in CDs and other money market instruments.

This effect is thought to have been very large during the month, which means that the underlying growth of bank deposits and lending is deceptive.

The broadly defined total of money grew at about recent rates—perhaps 1½ per cent. in the month after allowing for the usual seasonal fall in advances; but the underlying growth rate, which will show in the figures when arbitrage positions are unwound, was probably sharply reduced.

Credit control figures published by the Bank of England show that it was the London clearing banks who were the main sufferers in the squeeze on reserve assets, which fell in total by £100m. to £3664m.

The clearing banks were forced to call in £187m. from the money market and more than £600m. from non-clearing banks to meet demands on them, with the result that their reserve assets fell by more than £100m. and their eligible liabilities rose by £765m. However, this asset squeeze, like the drop in deposits, is partly a result of the Sainsbury distortion.

Import prices up 32% in 12 months

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

A FURTHER increase of nearly 3 per cent. in import prices during July brought the jump in the average price of U.K. imports during the past 12 months to 32 per cent., according to statistics released by the Department of Trade and Industry yesterday.

The July rise led to a further deterioration in the U.K. terms of trade—the ratio of export prices to import prices—which have now fallen on an index basis from 111 in July 1972 (just after the floating of sterling) to 94 (base year 1961=100).

That deterioration has reflected both the devaluation of sterling and the boom in commodity prices, and its effect has been that the increase in export volume has been insufficient to offset the higher cost of imports.

The latest DTI calculations suggest the volume of exports has continued to edge upwards in recent months, while after a sharp jump earlier in the year, the volume of imports has steadied since May.

Export prices rose by 1½ per cent. in July to a point where they were 11½ per cent. above the level of a year earlier.

Saudis may reopen oil deals

BY RAY DAFTER

SAUDI ARABIA has given a warning that participation agreements reached with oil companies in its territory are not necessarily final. This is the first sign that the Libyan decision to nationalise all the remaining independent companies and to impose big price increases is having a chain reaction throughout the Middle East.

Sheikh Ahmed Zaki Yamani, Saudi Arabia Oil Minister, said existing participation agreements with his and other Gulf governments, giving them an initial 25 per cent. share in the companies, were "not the end."

It was not Saudi Arabia's plan to natitonalise foreign oil holdings, however. This pledge was backed by King Feisal who said in a radio interview: "We do not wish to place any restriction on our oil exports to the U.S."

Sheikh Yamani was speaking before the start of a special council session of the Organisation of Arab Petroleum Exporting Countries (OAPEC) being held in Kuwait. The talks were held in secret but it appears that while Ministers expressed a good deal of solidarity with Libya's 51 per cent. nationalisation of all the remaining independent oil companies on its territory, the meeting did not decide on any kind of common oil policy in the Middle East.

According to some sources the question of employing oil as a political weapon was not discussed. It had been widely assumed that OAPEC might draw up a common oil policy to move the U.S. away from its support of Israel in the Middle East conflict.

Oil industry spokesmen in Beirut, clearly heartened by the lack of an announcement, said the anti-climax perhaps indicated that delegates were so divided on the issue that it was decided to leave the question of a common policy off the agenda.

There was nevertheless a good deal of support for Libya's stance. It is this possibility of a chain reaction—of a series of new participation agreements with greater State involvement and of much higher crude prices—that is causing major oil companies more concern than the Libyan move itself.

In his pre-conference announcement Sheikh Yamani said that Saudi Arabia still believed in negotiation with companies. Asked whether Saudi Arabia would restrict oil production to put pressure on the U.S. to withdraw its support for Israel, he gave a non-committal reply: "We will produce oil according to our needs."

Opening the conference, Abdel-Rahman Al-Atiqi, Oil Minister of Kuwait—which has made no

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY

Task forces in management · Interest rates · Juggernauts

Sir,—Mr. Jervis rightly comments (August 28) on dangers which arise when managers see themselves primarily as technologists, or marketing executives or whatever. While there is considerable scope for improvement I believe that the danger is recognised by enlightened managers, professional institutions with a concern for education of their members, and by the management training bodies.

The first encouraging factor is the rise of the task-force which spans different departments, as some companies adopt a matrix management system. Similarly, teams which include potential customers and company new-product executives are becoming popular in several European countries, and there seems likely to be even more efforts along multi-discipline lines as the concept of "technology assessment" develops, that is, a task-force to consider the environmental, social, technological, legal and perhaps moral implications of a proposed innovation to accompany a more traditional economic appraisal.

Secondly, the proliferation of journals catering for the specialist manager may be continuing, but the best of them emphasise how the specialist is an integral part of the organisation. The journal R and D Management, for example, presents results "of importance to personnel responsible for managing resources" in order to provide a link between theory "and the practical needs of industry and government."

In an issue of that journal some while ago, G. S. Sanders described how the Urwick Management Centre has for ten years offered courses to R and D managers in order to "improve their understanding of other functions such as marketing and finance." Similarly, the Facets of Management series of courses at Manchester Business School regularly includes a one-week module on the management of R and D. However, the topics dealt with in this year's module are listed as: innovation, project management, communication patterns, creativity, management of professional people, technological forecasting, technology transfer and new venture activities. It can be seen that both these courses are aiming at specialist managers, but offering a generalist approach to management.

The reason that courses of this broad nature are directed to a specific professional group of managers is a pragmatic one. R and D departments, marketing divisions, and corporate planning units exist as discrete entities. It makes good sense for seminar organisers to identify market segments and build their programme in a way which attracts them. Provided the course is like the ones described, and thus capable of broadening the outlook of the participants, no harm is done. However desirable it might be to effect a good mixing of disciplines on these occasions, courses with vague general titles such as "creativity" or "resource allocations" do not attract such good audiences.

T. Rickards.
The INCA Research Programme,
Manchester Business School,
Booth Street West, Manchester.

The Channel fleet

Sir,—Ray Dafter's article, "Ports and Terminals" (August 30) summarised the present position in connection with the Channel Tunnel project.

He mentioned the consultants' estimate of fleet requirements in a "with tunnel" situation and commented that this forecast must make disappointing reading to port and shipping interests. This would certainly be the case if the forecast were accurate but it is incorrect to an extraordinary degree.

The consultants state that without a tunnel 46 ships would be required on the short sea routes in order to handle the expected increase in traffic. Shipping interests are quite unable to understand how this can be since such a fleet would provide four times the 1971 operating capacity and yet the 1971 traffic is only expected to double by 1980.

The correct size of the fleet required is in fact 25 ships, which means that the consultants are mistaken by almost 100 per cent. Even this may be excessive since a figure of 25 allows for no increase in size between the present generation of ships and those likely to be in service by 1980.

The fleet size necessary if a tunnel is built depends wholly on the amount of traffic which the tunnel succeeds in diverting. The consultants estimate a very high diversion factor indeed—something like four out of every five passengers. Yet as the same consultants admit in the cost benefit study published in June, the tunnel will charge over 42 per cent. more than the expected sea ferry fares on the short sea routes. The owner of an average car with its passengers will be expected to pay an extra £12 in order to save time of rather less than one hour!

Mr. Dafter's article stresses the extra quality of travel inherent in a sea trip. This factor, coupled with the extra cost of the tunnel journey, gives rise to the shipowner's view that a tunnel, if built, is unlikely to be anything more than a minor irritation to us.

K. D. Wickenden,
Chairman,
European Ferries.
Dorland House,
18-20, Lower Regent Street, S.W.1.

Not a true and fair view

Sir,—I write to draw attention to an aspect of VAT the implications of which are, to say the least, disturbing.

In the fine art and antique trade, it is not uncommon for a work of art to be owned jointly by two dealers and the long-established procedure in the trade has been for each of the joint owners to enter in his books and stock records his half interest, to receive, in due course, half the proceeds of sale and ultimately to account for one half of the profit or loss arising from the transaction.

With the advent of VAT, however, it appears that Customs and Excise are not prepared to accept this long-established, simple and widely understood procedure which, it must be emphasised, would ensure that the authorities received the correct amount of tax.

Customs and Excise are insisting that, even though both joint owners are registered dealers for VAT purposes, one of them must act *as if* he was the sole owner of the object, making all the appropriate entries and settling the whole of the VAT before accounting to his partner for half the proceeds.

Clearly, if this new procedure is to be followed, the turnover, stock records and possibly the other books of account of both parties will not reflect a true and fair view of their respective financial positions. Surely an important matter of principle arises when the accounting requirements of Customs and Excise conflict with the commercial practice which has hitherto been accepted both by professional accountants and by the Inland Revenue?

Hugh Leggatt.
Leggatt Brothers,
30, St. James's Street, S.W.1.

A proper invoice

Sir,—In a recent Press release from HM Customs and Excise, there is a statement that if a registered supplier fails to provide a proper invoice on request to a registered customer he may be liable to proceedings.

It is interesting to speculate what effect there would be if such proceedings were brought, because although Regulation 8(1) of the Value Added Tax (General Regulations 1972), makes it mandatory for the supply of such an invoice, there is no mention in the regulations of the time limit within which the invoice should be supplied. Thus if a taxable trader were to be prosecuted for an offence of this nature, it would seem that he would have a defence if he issued the tax invoice before judgment and possibly even if he merely stated his intention to issue the necessary tax invoice at some time in the future.

The Press release in question referred to the Customs and Excise bulletin where once again Customs are propounding the theory that "tax invoices are vital" and they say:—

"It cannot be too strongly emphasised that incomplete or improperly prepared tax invoices might result in the customer's claim for input tax deduction being disallowed."

This, however, is not what the Law states and it is perhaps unfortunate that a Government department should make a statement of this nature which has no real basis in Law.

H. H. Mainprice,
Managing Director,
VAT Advisory Services.
67, Westbourne Grove, W.2.

Repayment mortgages

Sir,—The building societies problem is not one of profit and loss as they are ideally situated to make profits for their reserves simply by making adjustments to interest rates paid and charged. One of the main reasons for their current problems is that they wish to lend more and more cash to home buyers. To achieve this objective they will have to pay continually more competitive rates to attract money, particularly as they now hold a greater proportion of the nation's savings than any other institution.

The positive side of their cash flow comes from their profit, the funds they attract and the repayments they receive. I do not believe that they show sufficient concern about the repayments they receive. If they were, they would be much more prepared to lend on ordinary repayment mortgages rather than long term fixed loans linked to endowment policies. In my experience it is far easier to obtain a fixed mortgage linked to an endowment policy than a simple repayment mortgage. This means that repayments which could have helped the building societies cash flow now effectively go to life assurance companies.

This situation can only get worse as the proportion of the societies funds "lent long" in this way continues to grow. The remedy to this particular ill lies in the hands of the building society movement.

M. J. Darrington.
9 Sandy Lane,
Petersham, Richmond,
Surrey.

High interest rates

Sir,—High interest rates may compensate the small saver for the falling value of money but Mr. J. Bourlet (August 31) is mistaken in thinking that small firms will benefit. As the Bolton Report pointed out, when credit is expensive, small firms find that their large firm customers delay payment and their giant suppliers press for prompt payment. Thus small firms are squeezed between the upper and nether millstone into the arms of the take-over merchants.

Nor will high interest rates stimulate investment since such decisions depend on future profitability. With corporation tax at 40 per cent. a company must generate profits of 20 per cent. before tax simply to cover interest rates of 12 per cent. (or 30 per cent. before tax to cover 18 per cent.). To pay a reasonable dividend and retain some of the earnings, the profit before tax must be even higher—well over 30 per cent. Where are such profits available in a price-restricted economy?

The commonsense solution is to stabilise the value of money, bring interest rates down to what Macauley called the natural interest of money—5 per cent.—and encourage higher profits which will stimulate investment.

High interest rates benefit nobody but the financial middlemen who cunningly disguise charges of nearly 20 per cent. per annum as "only 1½ per cent. per month." The present spiral of interest rates must be halted before we reach a stage where the victims will stand it no longer. If not, we may see a holocaust that will make the French Revolution seem like a vicarage tea party.

E. G. Wood,
Sheffield Polytechnic,
Centre for Innovation and Productivity.
Halfords House,
16 Fitzalan Square, Sheffield.

Another Tory view

Sir,—I have read with astonishment the letter by W. J. Shearman, Esq., of PEST (August 30).

This seems to me to be nothing more or less than a repetition of the idealistic Socialist dogma that we have been hearing and reading about since the days of Marx and Engels. If members of PEST really believe this clap-trap, may I suggest that they leave the Tory Party.

Mr. Shearman's ideas have been tried in all Socialist countries and have failed. The best examples are the Soviet Union and Mao's China, both of which have had to turn to the Capitalist West to bring their ailing economies up to date.

This egalitarian Socialism cannot work because all human beings are different and all are selfish. They will not willingly accept egalitarianism for themselves personally. It is fine for others but not for themselves. The best recent examples of this are two of our best-known Socialist MPs who have just sold their homes at enormous profits, which, of course, they intend to keep. There are countless others involving privilege as well as money.

Mr. Shearman's Socialism could only be made to work by force and sanctions. Hence the Socialist dictators of the world, the coercion and the secret police.

Only an entirely free Capitalist society with all its imperfections can lead to individual and mass progress. Socialism of Mr. Shearman's type leads only to mass mediocrity with everybody equal at a low and falling level, because of the lack of incentive. Except, of course—the dictators themselves and their hangers-on.

G. E. Higham.
10, Penmorvah, Saltbox Road,
Mylor Bridge, Falmouth.

Real cost of accidents

Sir,—Mrs. H. M. Derrick infers that pro-juggernaut surveys such as that cited by Joe Rogaly take no account of deaths caused by motor transport (August 30). Certainly, the traditional costing methods employed by the British Road Federation, and their agents, the Department of the Environment, assume not only that roads are free, but also that human life and happiness is worthless.

This is the more difficult to understand as the DOE's own "Road Accidents in Great Britain 1971" assesses the cost of road accidents in 1971 as £492m., a figure which includes a very low allowance for grief and suffering and which in reality should be doubled or tripled. No attempt is made to assess the cost of premature deaths and illness brought on by motor-generated noise and pollution, but this is likely higher than the accident figure.

Many were shocked by the ATV programme "Could your Road be next?" which showed how part of Archway Road, London, was widened and residents thrown out of their homes by a sort of blitzkrieg conducted by the authorities. This widening is to be extended, on an even more catastrophic scale, into this district, and the Department's figures show that this means, by the year 2000, about 30 deaths and 1,450 accidents more than would otherwise occur, costed at 1971 prices at over £2m. Yet these deaths and accidents, planned for by the Department, nowhere appear in the costing justification for the widening.

G. J. A. Stern,
6 Eton Court,
Shepherds Hill, N.6.

Unacceptable juggernauts

Sir,—I must take issue with Mr. Adler (August 31) for I feel that the negative thinking he claims to be others', is entirely his own.

Because massive lorries are, alas, an integral part of our social as well as economic lives does not mean that they are good, effective and here to stay. If the specific choice could be given between higher prices or dangerous lorries I feel that most people would opt for cleaner air, less pollution, less danger to architecture and human beings.

The plain fact is that despite economic factors, lorries are deleterious to our environment; the roads built to accommodate them are a shameless waste of beautiful countryside and the ghastly pursuit of an already obsolescent form of locomotion shows considerable lack of foresight.

I refute in the strongest possible terms the ill-considered opinion that short-term "economic sense" must have as its natural concomitant the erosion and destruction of both our countryside and acceptable standards of life.

N. L. Hamilton.
18a, Rutland Court,
Knightsbridge, S.W.7.

Graduates assessed

Sir,—I feel I must give Mr. Coleman (August 17) some support in his criticism of graduates' education and of its value to industry. The criticism of him was that less educated people develop a "sour grapes" attitude. I cannot be accused of this, since I have a first-class honours degree.

Nor can I be accused of any prejudice against graduates, because right from the time I started my company I recruited graduates and we continue to do so.

I must say, however, that we have to interview large numbers to find a few with promise. Furthermore, we have not found that the contribution they make on the average, significantly exceeds that of recruits without the advantage of a degree.

The only conclusion I can come to is that the education they receive at university is not of a kind that helps them to face up to the problems they meet within the outside world. I must add that I did not find my own university education of great value. I am convinced I could have done at least as well, if not better, by plunging direct into industry. Those three extra years of experience would have been of greater value than my three years of formal education.

There seems to be a strong feeling among graduates that in order to learn they must be taught. It rarely seems to occur to them that they can set out to learn for themselves; and, once they are in a job and become aware of the needs, there are endless sources of information open to them.

We in industry are not quite so stupid as some academics seem to think, and perhaps they do not realise that the problems we have to face are far more complex than those facing students in their examination papers. It is one thing to give a well-written, logically flawless and articulate answer on paper, and quite a different matter to deal with a problem involving people, money, legal questions and technology and so on, in a way that does not raise more problems than it solves.

Having said all this, I must repeat that we do actually recruit from universities because, for one thing, most of the more intelligent young people tend to go there. Having recruited them we go to a great deal of trouble to help them fit in and make a success of their career with us. After all, it is very much in our interests to do so; but quite apart from that, I personally get no greater satisfaction than to feel that I have contributed in helping young people develop and make a useful contribution to society.

D. Comino, O.B.E.,
Dexion-Comino International,
Dexion House,
P.O. Box 7, Empire Way,
Wembley, Middlesex.

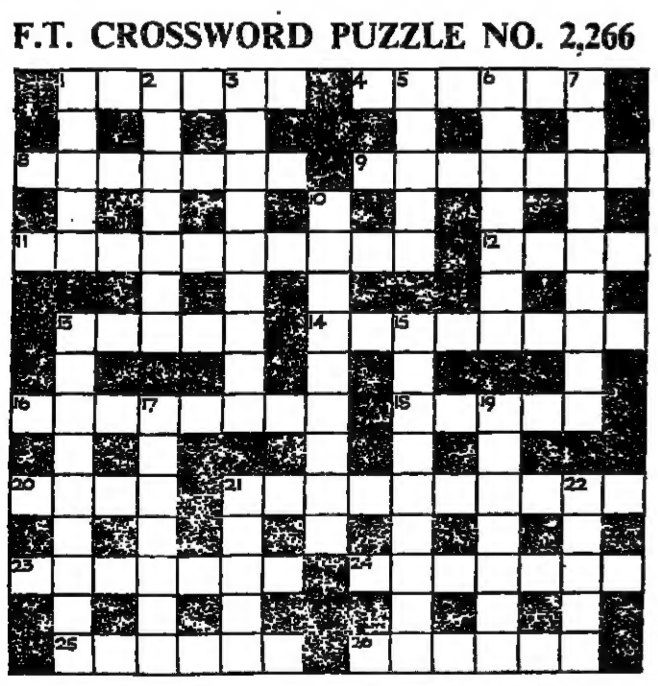
Events

To-day

COMPANY MEETNGS—

ALLIED INVESTMENTS, Institute of Chartered Accountants, E.C., 11.45 (Chairman Mr. W. R. Spencer.)
BRAHAM MILLAR, Brown's Hotel, W., 12. (Chairman Mr. R. B. Ogden.)
BRITISH BENZOL CARBONISING, Manchester 10.30. (Chairman, Mr. F. G. Mulryan.)
GREAT PORTLAND ESTATES, Cafe Royal, W., 12. (Chairman, Mr. B. Samuel.)
GRENDON TRUST, Europa Hotel, W., 12. (Chairman, The Duke of St. Albans.)
HOLCOMBE, 6, Chesham Place, S.W., 11. (Chairman Mr. P. E. Kenas.)
LONDON SUMATRA PLANTATIONS, Baltic Exchange, E.C., 11. (Chairman, Mr. F. W. Harper.)
UNITED DOMINIONS TRUST, 51, Eastcheap, E.C., 12. (Chairman, Sir Alexander Ross.)
WHITBREAD, Chiswell Street, E.C., 12. (Chairman, Mr. F. O. A. G. Bennett.)

F.T. CROSSWORD PUZZLE NO. 2,266



ACROSS

1 Acquire sound invitation to purchase (4, 2).
4 Rogue right to like western state (6).
8 Compartment with equal dimensions we hear (7).
9 Scotsman takes it to alternative controller (7).
11 Guard for a spell is posted on railway to collect tax (6, 4).
12 After a job (4).
13 Game finishing in house (5).
14 Going to ruin Lord's twister (3-5).
16 Bell the cat (5, 3).
18 Put together outfit overhead (3, 2).
20 Miss Woodhouse gets the pip after lunch (4).
21 Argue about what musicians said to each other (5, 5).
23 Rank signs stars' associates in USA (7).
24 Writer has a sleep before Heather (7).
25 Watery and spacious so they say (6).
26 Speculator with some hesitation becomes a porter (6).

DOWN

1 Political movement for accountant to employ (5).
2 Doctor is reaching double figures in wet (7).
3 William has an attempt at making butter (5, 4).
5 Suffering since going to New York (5).
6 Smart striker goes to hairdresser (7).
7 Rush to see over flat opposite (4, 5).
10 Forgotten it's silly (3, 2, 4).
13 Pub has no measuring instrument for glass (9).
15 Rising time in Scotland (5-4).
17 Greed with which Virginia returns to a pudding (7).
19 Complainant goes by cab (7).
21 Right inside ray fish (5).
22 Scholar or benefactor (5).

SOLUTION TO PUZZLE No. 2,265

COUNTLESS■MOTOR
R■N■W■I■I■A■A■E
ANCIENT■TAKINGS
S■O■N■H■U■E■G■I
HAVETHELASTWORD
■E■Y■R■■T■H■■■E
STRIFE■DEMIJOHN
F■E■O■F■D■N■V■T
REDOUBLE■EGRETS
■E■■F■A■B■S■R■■
AFISHOUTOFWATER
D■W■O■N■F■O■R■I
ENTRYIST■FORWARD
R■E■R■E■I■S■D■E
SORTS■DEWSEMESS

TV Radio

† Indicates programme in black and white.

BBC 1

10.40 a.m. One-day Cricket: England v West Indies for the Prudential Trophy. 12.50 p.m. Nai Zindagi Naya Jeevan. 1.20 News. †1.30 Pogles' Wood. 1.45 One-day Cricket: England v West Indies. 4.15 Play School. 4.40 Jackanory. 4.55 Dr. Doolittle. 5.20 Hope and Keen's Crazy Bus.
5.45 News.
†6.00 Nationwide.
6.45 Transworld Top Team.
7.05 Private Lives.
7.30 Music My Way starring Dana.
8.00 Sutherland's Law.
8.50 To-day's The Day.
9.00 Nine O'clock News.
9.25 Your Witness: a courtroom debate examines Sexual Equality.
10.35 Late Night News.
10.40 Moods of Love with Olivia Newton-John.

All Regions as BBC 1 except at the following times:—

Wales—†4.55-5.20 p.m. Cadi Ha. 6.00-6.45 Wales To-day. 6.45-7.05 Heddiw. †7.30-8.00 Stori a Stori. †11.17 News of Wales.

Scotland—6.00-6.45 p.m. Reporting Scotland. 11.17 Scottish News Headlines.

Northern Ireland—12.50-1.20 p.m. Farming. 6.00-6.45 Scene Around Six. †11.17 Northern Ireland News Headlines.

England—†6.00-6.45 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). †11.17 Regional News Headlines.

BBC 2

Trades Union Congress—"live" coverage at 10.00-11.00 a.m., 11.25-12.30 p.m. and 2.15-4.30.
11.00 a.m. Play School.
4.30 p.m. One-day Cricket: England v West Indies for the Prudential Trophy.
†5.25 Open University.
7.05 One-day Cricket: England v West Indies.
7.30 News Summary.
7.35 Music Makers: David Attenborough in conversation with Raymond Leppard.
8.00 Man Alive.
8.50 Times Remembered.
9.00 Midweek Cinema: "Alex In Wonderland." starring Donald Sutherland.
10.45 Film Night.
11.15 News Extra.

LONDON

9.30 a.m. All Our Yesterdays. 9.55 Riptide. 10.45 Cartoon. 11.00 Rainbow. 11.15 Cuddles and Co. 11.30 International Open Golf. 12.40 p.m. First Report and TUC Special. 1.30 Crown Court. 2.00 Harriet's Back in Town. 2.30 Sports Special: W. D. and H. O. Wills Open Golf Tournament, and Racing from York. 4.20 Little Big Time. 4.50 The Kids from 47A. 5.20 University Challenge.
5.50 News from ITN.
6.00 The Shadoks, followed by To-day.
6.35 Crossroads.
7.00 Anna and the King.
7.30 Coronation Street.
8.00 Reg Varney.
8.30 Man About the House.
9.00 Van Der Valk.
10.00 News at Ten.
10.30 Romantic v Classic Art (Eugene Delacroix).
11.00 Golf Highlights.
11.30 Suspense Film: "A Little Game."
12.50 a.m. The Evangelists: Allan Hargreaves talks to Gordon Bailey, comedian and evangelist.

All ITV Regions as London except at the following times:—

ANGLIA

10.00 a.m. Trades Union Congress. 11.00 Rainbow. 12.02 p.m. Anglia News. 6.00 About Anglia. 7.00 The Protectors. 8.30 The Adventurer. 11.30 Man in a Suitcase. 12.25 a.m. Your Choice.

ATV MIDLANDS

10.00 a.m. TUC Conference. 6.00 p.m. ATV To-day including Police Five. 10.30 Golf Highlights. 11.00 Stories Worth Telling. 11.05 The Baron.

BORDER

10.30 a.m. Ed Allen Time. 6.00 p.m. Border News and Lookaround. 7.00 Police Surgeon. 10.30 Golf Highlights. 11.00 The Adventurer. 11.30 Towards 2000. †11.58 Border News Summary.

CHANNEL

12.55 p.m. Channel News Headlines. 6.00 Report at Six. 7.00 Doctor in Charge. 11.30 Once Upon a Story. 12.00 News and Weather in French followed by Epilogue.

GRAMPIAN

10.00 a.m. TUC Conference. 12.00 Midday Round-Up. 5.15 p.m. Wildlife Theatre. †6.00 Grampian News. Farming News. 6.10 Love American Style. 7.00 Hogan's Heroes. 10.30 Golf highlights. 11.00 O'Hara, United States Treasury. 11.55 Meditation.

GRANADA

10.00 a.m. Trades Union Congress. 5.15 p.m. Nature's Window. 5.20 Crossroads. 6.00 Northern News. 6.05 Wait Till Your Father Gets Home. 6.30 University Challenge. 7.00 Mr. Magoo. 7.05 Police Surgeon. 8.30 The Paul Lynde Show. †11.30 The Addams Family.

HTV

10.00 a.m. Trades Union Congress. †5.20 p.m. Chuckleheads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 The Odd Couple. 7.00 The Protectors. 10.30 Golf Highlights. 11.00 Man in a Suitcase.

SCOTTISH

9.35 a.m. Yoga for Health. 10.00 Trades Union Congress. 5.20 p.m. Calimero. 5.25 Crossroads. 6.00 STV News. 6.05 The Stuart Gillies Show. 6.30 University Challenge. 7.00 Bowler. 10.30 Golf Highlights. 11.00 To See Ourselves. 11.30 Late Call. 11.35 Festival Magazine.

SOUTHERN

10.05 a.m. Hammy Hamster's Adventures on the Riverbank. 10.30 Yoga for Health. 10.55 Southern News. 5.20 p.m. Cartoon. 5.25 Crossroads. 6.00 Day by Day. 7.00 The Protectors. 10.30 Golf Highlights. 11.00 Strange Report. 12.00 Southern News Extra.

TYNE TEES

9.30 a.m. Strong Words. 9.40 Arthur. 10.05 Common Market Cook-book. 10.30 Ed Allen Time. 2.30 p.m. North East News Headlines. 6.00 To-day at Six. 7.00 Police Surgeon. 10.30 Wills Open Golf highlights. 11.00 Late Night Theatre. 11.30 Late News Extra. 11.45 Spyforce. 12.40 a.m. Lectern.

ULSTER

10.05 a.m. Hammy Hamsters Adventures on the Riverbank. 10.15 Ed Allen Time. 10.40 Romper Room. 1.29 p.m. Ulster News Headlines. †4.23 Ulster News Headlines. 6.00 UTV News. 6.10 Viewfinder. 7.00 The Adventurer. 10.30 Golf Highlights. †11.00 Late Night Theatre. 11.30 Shirley's World.

WESTWARD

9.30 a.m. Towards the Year 2000. 10.00 TUC Conference. 10.55 Gus Honeybun's Birthdays. 11.15 Grasshopper Island. 12.38 p.m. Westward News Headlines. 6.00 Westward Diary. 7.00 Doctor in Charge. †11.30 Once Upon a Story. 11.57 Westward Late News. 12.00 Faith for Life.

YORKSHIRE

9.40 a.m. Arthur. 10.05 Common Market Cookbook. 10.30 Ed Allen Time. 6.00 p.m. Calendar. 7.00 Police Surgeon. 10.30 Golf Highlights. 11.00 Jason King. 11.55 Once Before I Die.

RADIO 1 247m

(S) Stereophonic broadcast.

Time, traffic and News summaries at 5.00 a.m., 5.30, 6.00, 6.30 then every hour on the half-hour until 6.30 p.m., 7.00, 8.00, 9.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.32, 7.32, 5.32, 5.32 p.m., 6.32, 2.02 a.m.
5.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker. 2.00 p.m. David Hamilton. 5.00 Radio 1 Club with Alan Black from Erin Arts Centre, Port Erin, Isle of Man. 7.00 As Radio 2. 10.00 Sounds of the 70s. Review (S) also on VHF. 12.00-2.02 a.m. As Radio 2.

RADIO 2 1,500m and VHF

Time, traffic and News summaries at 5.00 a.m., 5.30, 6.00, 6.30 (VHF and 247m), 7.00, 7.30, 8.00, then every hour on the hour until 5.00 p.m., 5.30, 6.00, 6.30, 7.00, 9.00, 9.00, 10.00 (1500m), 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.02 a.m., 5.32, 6.02, 6.32 (VHF and 247m), 7.02, 7.32, 9.02, 9.02, 12.15 p.m., 5.32, 6.15, 6.32, 2.02 a.m.
5.00 a.m. News Summary. 5.02 Tom Edwards (S) with The Early Show including 6.15 Pause for Thought. 7.02 Tony Brandon (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House including 10.30 Waggoners' Walk (S). 11.30 Jimmy Young (S) including 1.02 Golf: W.D. and H.O. Wills Open Tournament. 1.30 p.m. Joe Henderson (S) including 1.45 Sports Desk. 2.02 Golf: W.D. and H.O. Wills Open Tournament and 2.45 Sports Desk. 3.02-5.00 Desmond Lynam (S) including Golf 3.45 Sports Desk. 4.15 Waggoners' Walk and 4.45 Sports Desk. 5.02 Golf. 5.03 Teddy Johnson (S) including 5.45 Sports Desk and 6.02 Golf. 6.45 Sports Desk. 7.02 Pop Score including 7.30 Sports Desk. 7.32 Folk 73 (S). 8.02 Up Country (S). 9.02 Radio 2 Ballroom. 10.02 Late Night Extra 1500m (200m in Scotland), including 10.15 Sports Desk. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride (S). 2.00 News Summary.

RADIO 3 464m, Stereo & VHF

(S) Stereophonic broadcast.

7.00 a.m. News. 7.05 Your Midweek Choice (S) part 1, Glazunov, Pierne, Shostakovich. 8.00 News. 8.05 Your Midweek Choice continued: part 2, Pachelbel arr. Munchinger, Schubert, Bruckner, Strauss (S). 9.00 News. 9.05 This Week's Composer: Sibelius (S). 10.05 Organ Music (S). 10.40-7.00 One-Day Cricket (medium wave only): England v. West Indies for the Prudential Trophy. 10.40-12.50 including lunch summary. 1.0-1.5 News; Weather. 1.30-4.20 and 4.35-7.00 Commentaries. 7.00-7.30 Study On 3 (medium wave only). 7.30 Proms Concert, part 1: Stravinsky, Mozart (S). 8.35 Music on the Air. 8.55 Proms concert part 2: Brahms (S). 9.50 Emile Durkheim. 10.35 Palestrina Mass (S). 11.05 Sir Henry James Short Stories. 11.40 Boccherini Quintet in E flat major (G410) (S). 11.55 News.
Radio 3 VHF (10.40 a.m.-7.30 p.m.)—Today and on Friday, during the medium wave coverage of the cricket, normal Radio 3 programmes are carried on VHF only. 10.40 a.m. French Music (S). 11.00 Edinburgh International Festival: chamber music part 1, Haydn, Mozart. 12.00 Festival Comment. 12.15 Concert, part 2: Haydn. 12.40 Stravinsky (S). 1.00 News. 1.05 Concert Hall (S). 2.05 Academy of the BBC (S). 3.10 The Art of the Arranger (S). 4.00 Choral Evensong. 4.45 The Young Idea (S). 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m & VHF

6.25 a.m. News. 6.27 Farming To-day. 6.45 Prayer for the Day. 6.50-8.45 To-day. 6.50 Travel News. What's On and Keep Fit (medium wave only). 6.55 Weather and programme news. 7.00 News and more of To-day including 7.25 Sports Desk and 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 Travel News (medium wave only). 7.55 Weather and programme news. 8.00 News and more of To-day: 8.25 Sports Desk and 8.35 To-day's Papers. 8.45 The Runaways. 9.00 News. 9.05 The Living World. 9.35 The Year In Question. 10.00 News. 10.05 In Britain Now. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Candidates for Greatness: portrait of Bernard Shaw. 11.30 Thirty-minute Theatre. 12.00 News. 12.02 p.m. You and Yours. 12.27 Just A Minute. 12.55 Weather and programme news (medium wave only). 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (2.00-2.02 News). 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Lawrence Tibbett (records). 4.35 Story Time. 5.00 PM Reports. 5.50 Stock Market Report (medium wave). 5.55 Weather and programme news. 6.00 News. 6.15 Twenty Questions. 6.45 The Archers. 7.00 News Desk. 7.30 Down Your Way. 8.15 Midweek Theatre. 9.00 Round Britain Quiz. 9.29 Weather. 9.30 The World To-night. 10.15 A Book At Bedtime. 10.30 Kaleidoscope. 11.00 Open Marriage. 11.15 News. 11.31 Market Trends.

Racing

Melodrama at York

by DARE WIGAN

LAST YEAR the Strensall Stakes at York was responsible for one of the biggest surprises of the season when Pearl Star from Ken Cundell's Berkshire stable upset the odds of 9—2 laid on the 1,000 Guineas winner, Waterloo.

However, although there are only five runners for to-day's race (3.0), it is not easy to forecast the winner, though I hope to have done the right thing in going for *Melodramatic*.

Since finishing a creditable third to Jacinth and Silver Birch in the Coronation Stakes at Royal Ascot, 6½ lengths ahead of Katie Cecil, *Melodramatic* has won a couple of good-class handicaps at Kempton and Epsom and I suspect that she will stay 7 furlongs on this testing course better than *Mayday Melody*.

There is no worthwhile form to go on in Division I of the Sancton Maiden Stakes (2.00) and the best that I can do is to pass on a Newmarket tip for *The Dunce*, a colt by High Hat, whom Bernard van Cutsem trains for the Duke of Devonshire. In Division II (5.30) the best of those who have run is probably *Clove Hitch*, a colt by Charlotown, out of a mare by Parthia.

He has shaped well in all his three races, will be well suited by a mile and is a logical selection, though if breeding is a criterion of ability he may have a formidable opponent in *Waterborne*, a colt by Crepello, out of Water Wings, who won the Newmarket Oaks and was runner-up in the Ebor Handicap.

Lewis, who rides *Melodramatic* and *Waterborne* for his own stable, deputises for the injured Ron Hutchinson on *Belper* in the Garrowby Handicap (2.30) and the partnership will require some beating, for *Belper* will be better suited by this galloping track than by the undulations of Epsom where he was runner-up to Red Brigand last week.

Yonge St. Clare and *Leodora* look best in the Ouseburn Nursery Handicap (4.00); and *Yonge St. Clare*, who held on well against Oberon Girl and Cherry Blessed at Ripon the other day may be the better at the weights, though the race is scarcely a betting proposition. If Walter Wharton and Edward Hide miss out with *Yonge St. Clare*, the chances are that they will capture the Dalton Maiden Stakes (4.30) with *Eternal Edward* who will be ideally suited to this stiff two miles.

Precious Will and *Red Rodney* are both in peak form and one or the other will probably win the Burton Agnes Handicap (5.0), my preference being for *Red Rodney* who ran on well to get the better of Flintham at Newcastle on August Bank Holiday.

The first thing that a self-respecting punter does when contemplating the programme of a day's racing at Bath is to take stock of J. Mercer's mounts, for no jockey has more experience of, or rides this tricky course better, than does Joe. But though I expect him to go close to winning the Monkton Farleigh Handicap (3.0) on *Amicus* and the Bristol Nursery Handicap (3.30) on *Mons Madness*, both may go to Captain Ryan Price and Tony Murray with *Knight Templar* and *Angerstein*, the last-named a promising colt by the 1963 Derby winner, Relko.

If I am correct in thinking that *Angerstein* is a colt of potential, then *Teasing*, who finished 2nd to him here on August 6, ought to win the Pennsylvania Maiden Plate (2.30).

YORK

2.00—The Dunce
2.30—Belper
3.00—Melodramatic
3.30—Jave River
4.00—Yonge St Clare
4.30—Eternal Edward
5.00—Red Rodney
5.30—Clove Hitch

BATH

2.30—Teasing*
3.00—Knight Templar***
3.30—Angerstein**

Bloodstock insurance company

By Michael Thompson-Noel

THOROUGHBRED INSURANCE Brokers, a member of the H. Clarkson Insurance Broking Group, has opened a subsidiary company, based in Newbury, Berkshire, the racehorse breeding and training centre.

Named Thoroughbred Insurance Brokers (Newbury), it will handle most of the parent company's U.K. business, allowing TIB itself to concentrate on international expansion.

Although no figures are available, the racehorse insurance business is thought to have grown considerably in the past four years, in step with the boom in bloodstock prices and production.

Mr. Malcolm Ritchie, a member of Lloyds since 1952, has been appointed managing director of Thoroughbred Insurance Brokers (Newbury); its chairman is Mr. Ian Lomax, managing director of TIB.

The other directors are Mr. Gay Kindersley, former champion National Hunt amateur jockey and a member of the Jockey Club who trains race horses at Newbury; Mr. Ken Cooper and Mr. Paul Chilton.

Mr. Lomax said yesterday: "Our Newbury company will aim to make insurance as simple as possible by offering our clients a complete service. It will deal not only with cover for their animals but with property and life insurance, estate duty, mortgages and any other policies they might require."

ceum, Edinburgh

The Way of the World

by B. A. YOUNG

ongreve's comedy, with its alth of sharply drawn charac-s, is a natural for the Actors' upany, and for the most part rid William's production ts it well. It is set in wardian days. Designer Karen lls has included in her sets electric bell, a gramophone d a telephone (which, a little kind thought reveals, could ve torpedoed the entire plot). The dialogue of two centuries lier sits well with the haviour of our grandfathers til the more fantastic people ke their appearance. Edward therbridge is a Mirabell of arm and dignity, Robin Ellis elegant Fainall who might ave come from Wilde or laugham.

But even before we begin to woman a major difficulty. Tore powe are confronted from who Witwoud by John (pronounced ought have strayed some reas Lady Wishfort whose we bsh-For-It, for sonality soon thorgery Mason farce, a Sir issol out per-Woodvine who Vilf in riotous seemed excessive way John Whitehall days. I do in have that they are *bad;* what n old they do with much resource mean expertness; but they are o, ceived in a different mould d the rest, and when they perfo fr their exhibition pieces, with lash-ings of comic business inserted, the mood shifts from a Purcel-lian charm to a Sullivanesque rowzy-dowzy. We could accept it in the 18th century; not so easily in the 20th.

Caroline Blakiston's Millamant is admirable in itself, a man-eating orchid blending love with danger; but she could surely never have existed on quite those terms in Edwardian times. The best thing, I found, was to do what the director seemed to have done—to enjoy the play's exquisite wit and ingenious terms of plot and forget the period change altogether.

After all, there can have been few stately homes in King Edward's time where a party concluded with a dance to the music of a stringed orchestra playing a baroque minuet.

*

At lunchtime, the Actors' Company offers the dazzling double bill of one-act pieces. The first of them, *Flow*, by Gabriel Josipovici, is a word-pattern for five voices, a reconstruction through broken thoughts and sentences of a relationship between a man and a woman over a period of some years.

The technique is the technique of Beckett's *Play*. It is less dramatically satisfactory than that because the author has not established his characters or his themes so sharply; he does not, for me, justify the use of such elaborate means to present comparatively ordinary and shallow experience. But as a feat of acting skill, *Flow* is remarkable. The ability of each of the players sitting more-or-less on chairs, to speak a detached phrase of sometimes as little as two or three words, and through it make us know the complete train of thought involved, is impressive.

In *Knots*, Edward Petherbridge has made some extract from R. D. Laing's book of the same title into a brilliant theatrical tour de force. "Knots" is one of the words Laing applies to those whirlpools of argument we all know: "I'm frightened." "Don't be frightened." "I'm frightened of being frightened."

In this adaptation we are first spoken some simple examples then, by individual players; are shown pattern established, we elaborated how they can be of the actors all the resources actors they skills. Exceptional requirements it be, for the tap dancing, mude juggling, well as every re mime, as stage from variety of the talk (up or down). All cross-

It is not only exceptionally—and intelligently—funny; it is instructive, it genuinely illustrates its subject-matter in a way that Josipovici's sterile method does not. This is a performance worth going miles to see.

Ian McKellen and John Woodvine

Donald Cooper

Round House

Kontarskys

by PAUL GRIFFITHS

Two years ago Stockhausen's *fontra* for two pianists was given its second performance in his country at a Prom, and on Monday it returned, again played by its original performers, the Kontarsky brothers. No other recent composition is more worthy of such exposure, for *Mantra* is a piece that reveals more of itself—and becomes more astonishing—with each hearing. New details become apparent as the listener discerns more of the contortions of the "mantra"; in its first clear presentation a strange slow melody, and the basis for the whole work. Increasingly the intensive thematicism makes itself heard as a constant repetition in an enormous range of guises.

Such dependence on thematic working (although different in nature from that of earlier music) suggests that pitch has an importance equalled in no other of Stockhausen's works, this is emphasised by the way in which he uses the adjuncts to the two pianos: some percussion instruments and, more importantly, ring modulation. Whole sections of *Mantra* are modulated with a fixed pitch; this means that when the piano produces a note harmonically close to that pivotal pitch (that is a fifth above it), the sound is "consonant," but more alien notes produce more complex and displeasing effects. Thus Stockhausen has at his disposal a completely new manner of drawing attention to harmonic relationships: the sound is new, the use is new, but the essential basis is supremely traditional. This, and the thematic foundation which is another side of the same coin, would make *Mantra* comprehensible to those who find that music begins to dissolve with Mahler.

It is impossible to imagine a performance that would illuminate this consistent and compelling structure more powerfully and more subtly than that given by the Kontarskys this time. In a recent series of public rehearsals of *Mantra*, Stockhausen laid particular stress on the importance of rhythm. Sometimes phrases were to be articulated in an almost vocal manner so as to "let the sounds live," and in passages of held notes, durations and attacks had to be carefully gauged for the same reason. The composer was equally insistent on exact simultaneity between the players in some sections. In all of these respects, the Kontarskys on Monday were admirable very nearly throughout the performance, showing what an impressive work this is. A check to those who would see Stockhausen's career as inevitably tending to increasing freedom, a repulse to those who would listen to him in a state of comatose meditation (as the title might seem to invite); and an enigma for the future — will Stockhausen follow up this systematic use of modulation? And will it be possible to integrate the concerns of *Mantra* with other recent discoveries?

After this extraordinary performance, perhaps anything else would have been a disappointment, but the Kontarskys were far from their best in Boulez's second book of *Structures* and Debussy's *En blanc et noir*. These works have far more in common with each other—in terms of fluidity of rapport between the players, fineness of rhythm and phrasing, and allusively developing form—than either has with *Mantra*, and the Kontarskys' performances lacked these essential qualities. (Although it has to be said that the Round House is no place to appreciate slight variations of nuance or the complexities of subtle polyphony.) Something by Busoni or Reger, for example, would have been better suited to the Kontarskys' style, and might have made a more telling comparison with the Stockhausen.

Television

The connection

by CHRIS DUNKLEY

BBC1 devoted 2½ hours to the subject of drugs last week; every single minute of all three *Midweek* programmes on Tuesday, Wednesday and Thursday was given over to the topic, and in response to such an unusual expenditure of time and effort this column will be limited to a consideration of the programmes. This is not, however, just a quid pro quo for television's uncharacteristically lengthy investigation; it turned out that the series offered an object lesson in the mores of current affairs television.

I have no doubt that most people thought the programmes thorough, somewhat liberal, responsible nevertheless, and generally helpful. But they reminded me of the saying which has become so popular among young people in America, and has appeared on thousands of lapel badges: "If you're not part of the answer you're part of the problem." So far as drugs are concerned, *Midweek* is part of the problem.

All three programmes were presented by Tom Mangold, one of the few people working in television who specialises in the sort of long-term "depth investigation" which has become a primary feature of serious newspaper journalism during the past decade or so. Mangold introduced and narrated the first two programmes, on "The Global Connection" and "Turning On In Britain," as well as acting as reporter for the filmed sections of both, and also served as chairman for the phone-in and discussion on the third night. I think it is fairly safe to assume that in addition to all this he carried out much of his own research work, so for a television current affairs production the series was unusually dominated by one man. That said, it must be remembered that producers Tony Summers and David Mills still bear responsibility for their individual programmes, and that Peter Pagnamenta, as editor of *Midweek*, is answerable for the series as a whole.

The investigation started with a fairly thorough description of the long and complex methods by which opium poppies grown mainly in Asia end up as heroin in America. We were conducted from Turkey, via the Corsicans' refineries in Marseilles (the notorious "French connection") to Hong Kong, and then to a confiscated hoard of the drug in a police vault somewhere in the States. In addition, we were shown poppies being harvested in the famous "golden triangle," the area which straddles the borders of Burma, Laos and Thailand, and the drug travelling to the United States by way of South America. On the way we were told how police chiefs, diplomats and even airlines have been involved in drug carrying and how the middle men make astronomical profits.

It can be pointed out that every bit of this is old hat; some of it very old hat indeed. Not only have news publications such as *Time*, *Newsweek* and *Newsday* (and many others) been giving detailed accounts of routes and methods for years past, but scandals concerning the middle men and carriers have gone a stage further and become quite common knowledge following the fictional or semi fictional treatment in movies such as *The French Connection* or even Buñuel's *The Discreet Charm Of The Bourgeoisie*. This is not a criticism which applies exclusively to *Midweek*, however. Television in general is still virtually incapable of muckraking (in the very best and orginal sense) mainly because the time needed to complete a programme prevents it. By the time a television team has its exposé on film, two or three newspapers will invariably have blown the gaff, even if they started work later.

In any case, Tom Mangold might well say that the purpose was not to find masses of new information but to produce a précis of what is already established and to present it for the benefit of those who do not read *Newsweek* or watch Bunuel films. In this the programme was successful, but the question it begged so loudly was "why bother, anyway, and having bothered why stop at the dealers?" Nobody needs a television programme to tell him why people smuggle heroin or deal in it: it is exorbitantly profitable. Just as men will always be capable of escaping from any prison which other men are capable of inventing, so drug dealers will always find a source and a route to the consumer no matter what police measures are taken to stop them—so long as the demand for the drug continues. As a means of investigating drug abuse, the programmes' declared purpose, a study of sources and delivery routes was about as relevant as would be a study of iron ore mining and the shipment of steel to a programme about car accidents.

The real motivation for the whole of this first programme was given away completely by the piece of film which recorded the arrest of a dealer in New York. After dramatic pictures of the training of a narcotics agent, and a Hollywood style cruise through the streets with the camera actually inside the G-men's car (carefully protecting their anonymity by picturing only their backs) *Midweek* set up hidden cameras and recorded the meeting under the flyover of the undercover agent and the drug dealer, and finally the swoop and the arrest. It had very little indeed to do with drug abuse, but Dick Barton would have loved it, Jimmy Cagney would have revelled in it, and so too, apparently, did Tom Mangold and the *Midweek* team.

Having decided on a drugs programme Mangold and his colleagues simply could not resist the temptation to indulge in colourful melodrama, and this is one of the reasons why they are part of the problem instead of part of the answer. It is this very cloak and dagger atmosphere perpetuated by *Midweek* that has attracted not only Hollywood but also many of the teenagers who have become involved in the periphery of the hard drug world.

This explains why, having chosen heroin and the American situation as the subject of the first programme, *Midweek* said practically nothing about drug users and consequently nothing about drug abuse—apart from the portentious comment, delivered over the picture of a skeletal corpse: "This picture shows what heroin addiction did to one woman in New York." A fatuous simplification if ever there was one, to explain the social, economic, racial, environmental and historical forces which can result in death from drug abuse.

Yet it was unmistakably obvious that Mangold was just as much aware of that simplification as I am. Again and again in the first and second programmes he slipped the really telling evidence into his commentary: that in America drug addiction spread from the ghettoes of the poor; that in 1971 the British used vast numbers of amphetamines; that most children *don't* come to harm through taking pills and that those who do are almost always those who have already lost out on life in other ways; that the theory of "escalation" from soft to hard drugs is now seen to be unfounded; that there were 80 deaths in Britain attributable to drug abuse last year while thousands were killed on the roads.

Mangold actually said all this himself. Yet there was no investigation of *why* drug addiction occurs so often among the poor; no investigation of the *real* drug-using majority in Britain—the middle-aged, middle-class housewives and businessmen who start with sleepers, add "uppers" to counteract the effects of the sleeping pills, and then "downers" to counteract the stimulants; no study of *why* there seems to be a close association between children who "lose out on life" and those who take drugs. And although Mangold and the experts on the final programme several times mentioned Brtain's 350,000 alcoholics, and the 50,000 deaths annually from cigarette smoking, *Midweek* nevertheless continued to study Britain's small social and semantic problem which it persisted in calling a "drugs problem."

It was this which gave the lesson in the mores of television: for all their appearance of seriousness and social responsibility, not only *Midweek*, and not only the BBC, but many current affairs groups still work on the level of the popular Sunday Press. It is the shocking picture which is sought to grab the public's attention, and that is why we saw at the start of Wednesday's episode a delirious young addict raving in the street outside a chemist. It is the fascination which old repeople have always found in the excesses of the young which is the real motive and not any honest evaluation of the significance of the subject.

Had such an evaluation taken place then—remembering that Michael Schofield, a member of the Wootton Committee, pointed out on Thursday that there were 198 deaths a year from swimming—we should presumably expect at least six complete editions of *Midweek* devoted to the dangers of bathing since 80 drug deaths merit three whole programmes. We shall never see such a thing of course because there is no mystique attached to swimming; no romance dating back to the Lakeland poets and the opium eaters; no hope of singling out one identifiable and young group as being culpable; no high finance, cloaks or daggers involved.

Ultimately, though, the most distressing aspect of Mangold's and *Midweek*'s activity was not simply that they chose to give "the drugs problem" greater importance than killers such as over-eating, drinking, smoking or dangerous driving. It was the veneer of liberal attitudes which was used as a sop to their conscience. Television is above everything a reinforcing medium from which each viewer takes sustenance for his established attitudes and beliefs. In addition, as any television researcher will confirm, it is pictures which are remembered rather than words.

So never mind that every major Government investigation since the seminal British "Report of the Indian Hemp Drug Commission" in 1894 has called for the liberalising of the laws on cannabis; many parents already worried by "the drug problem" will remember *Midweek*'s series mainly because it showed that even the seemingly liberal thinkers see the problem in terms of organised crime, emaciated corpses, and delirium in the streets. And if even *then* see it that way, and consider it serious enough to devote a whole week's programmes to it, then it must be a really terrifying problem . . . mustn't it?

Rex Stallings, Wendy Craig, Andrew Dove and Helen Gill in "Finishing Touches," which opened last night at the Apollo

Salzburg Festival

Idomeneo

by RONALD CRICHTON

Mozart's *Idomeneo* was his favourite among his operas. His failure, after the Munich production of 1781, to procure more than a single concert performance in Vienna (during rehearsals for *Figaro*, in 1786), apart from the sadness it must have caused him, did nothing to help the subsequent career of a great work long neglected or misrepresented. The fact that Mozart made many revisions for Munich then further alterations for Vienna, has illogically encouraged modern arrangers and producers to lay interfering hands on the score—no wonder *Idomeneo* has still barely established itself in the international repertory.

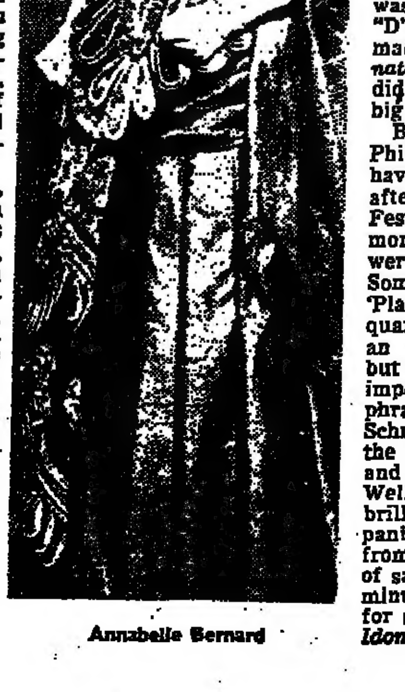
We have been comparatively lucky. At Glyndebourne in 1951 Busch and Ebert revealed the stature of *Idomeneo*. The Sadler's Wells production under Colin Davis settled the work in the affections of the London opera public. Now there is to be a whole rush of *Idomeneos*, with the English Opera Group touring and bringing to London the Aldeburgh version whose career was cut short by the burning of the Maltings, a new production by the Welsh National at Cardiff this month, still another at Glyndebourne next season. No doubt this epidemic is connected with the edition prepared by Daniel Heartz for the Neue Mozart-Ausgabe, which formed the basis of the new Salzburg production which opened this year's festival.

The prospect of Karl Böhm, most eminent of Mozart conductors, and Gustav Rudolf Sellner, an opera and drama producer of long experience, working with the authentic text raised hopes of a really definitive presentation. That these were only partly fulfilled must be put down to the reluctance of German and Austrian opera men (in the older generation at least) to abandon the view that opera seria is invariably frigid, artificial, unreal. Even in appearance this Salzburg *Idomeneo* seems to be aiming at the marmoreal atmosphere of *La clemenza di Tito*. Some of Jörg Zimmermann's sets are handsome, most of them are cold, with architectural features of shiny, Zeppelin grey, and sinister black for the Cretan warships—icebox antiquity.

With Gluck as his example, working in a sophisticated opera house with expert collaborators for design and choreography, Mozart achieved an opera seria that was not cold but dramatically cogent and warmly human. Sellner seems to have been unwilling to accept the nature of *Idomeneo*. It does no harm to have the principals confined to simple movements and gestures, but at vital moments the static treatment of the chorus goes against the grain of music and text. The famous "Placido è il mar" radiates an illusion of happiness, but Sellner keeps his chorus to attention, in a stiff semi-circle. "Corriamo, fuggiamo" they cry in the ensemble of terror that ends the second act, but remain rooted to the spot until they sheepishly kneel, reducing one of Mozart's most inspired and original pages to near-insignificance.

Daniel Heartz has stressed the importance of the stage directions (incided in the new Barenreiter edition of the libretto) in an opera where much of the music "is so plastic in intention." Some hope, in this kind of production! There is a tolerable sea-monster, materialising out of a puff of smoke. But no Neptune glares at Idomeneo as he clambers on to dry land, no *ballo generale* is to be seen in the first act finale, the march of the priests is played as an interlude before the ugly grey drop-curtain, the final ballet over which Mozart took so much trouble ("mir ist es aber sehr lieb") is cut — as a sop it was included by another conductor in one of the symphony concerts.

One of the fascinations of the history of *Idomeneo* is the light it throws on the creative processes and on the nature of opera, the eternal contradictions and compromises of the form. While one half of Mozart was working ruthlessly towards compression in the interests of the drama, the other half turned out arias for specific singers. Bohm and Sellner dropped the two for the egregious confidant, Arbace.



Annabelle Bernard

They cut the final arias for Idamante and Idomeneo, as Mozart did in Munich, and the final one for Electra, as he did in Vienna. But they put in Idamante's "Non temer, amato bene" a long rondo-aria for tenor with violin obbligato, a pill-sweetener for Viennese taste.

In Vienna the role of Idamante, originally for alto castrato was re-written by Mozart for tenor. With Aldeburgh as a notable exception, this version is usually preferred, to-day. But the advantages are not all on the side of the lower voice. Idomeneo (Mozart never carried out his idea of a German version with the title-role re-cast for a bass). Arbace, the high priest, all the male soloists except the briefly-heard oracle, are tenors. Not even Mozart can avoid suspicion of monotony. The inclusion of Idamante's "Non temer" dissipates the tension of the second act just when it should be rising for Idomeneo's crucial monologue. Peter Schreier, an excellent Mozart singer with honeyed tone, vied with the Vienna Philharmonic's first violin in elegant phrasing, but the inserted aria inevitably drew attention away from Idomeneo's infinitely more important "Fuor del mar," given in the shorter version without the coloratura "noodles" Mozart obligingly provided for Raaff in Munich.

Wieslaw Ochman's Idomeneo had poise, dignity, and a voice of appropriately harder metal than his son Idamante. His declamation was a bit colourless. Edith Mathis was the Ilia at this performance. An accomplished singer, who became warmer with each successive aria; yet she never (shades of Jurinac!) made more of the character than a fixed smile in a steel-blue costume. The most interesting of the principals was the Electra. By purely musical means Annabelle Bernard, without hysterics or shrieks, exposed the turmoil in Electra's breast. Her aria in Act 2 was radiant, her strophe in "Placido è il mar" like balm. One was sorry not to hear her tackle "D'Oreste, d'Aiace," but she made the most of the *accompagnato* Mozart provided instead. So did Jörn W. Wilsing in Arbace's big recitative.

Bohm was driving the Vienna Philharmonic hard—they may have been weary after a Sunday afternoon concert. The Kleines Festpielhaus favours orchestra more than voices, and the singers were sometimes difficult to hear. Some of the tempi were odd. The "Placido" chorus was staid, the quartet snappy, as though it were an ensemble not of reflection but of decision. Idamante's all-important opening and closing phrases lay too low for Mr. Schreier's comfort. One missed the straightforward naturalness and warmth of Davis, at Sadler's Wells. But there was tension, brilliance, and in the accompanied recitatives fiery attack from the strings. In the scene of sacrifice everything for a few minutes meshed into the looked-for splendour, a glimpse of the *Idomeneo* this might have been.

CINEMAS ARE CONTINUED ON PAGE 20

WORLD TRADE NEWS

International trade higher in first quarter—IMF

WASHINGTON, Sept. 4.

WORLD TRADE continued to surge in this year's first quarter despite currency unrest in the period, the International Monetary Fund (IMF) reported.

Total trade was at an annual rate of $429,200m. up 24 per cent. from the same period in 1972. The IMF measured the figure as the sum of all nations' exports.

The agency said: "The export values are expressed in U.S. dollars, and the (totals) are affected by the depreciation of the dollar in relation to many other currencies. In addition, increases in prices of internationally traded commodities added substantially to the value of the exports.

"But even after corrections have been made for both of these influences, there remains consiberable growth in exports volume, surpassing the average annual rate of increase over the past three years. The currency unrest during that period thus does not appear to have weakened the real growth in international trade."

AP-DJ

German stand on GATT

● West Germany's aim in the forthcoming General Agreement on Tariffs and Trade talks in Tokyo will be to push for liberal trading policies, Economics Minister Hans Friderichs said.

This will be necessary in formulating a joint negotiating stand for the European Community as well as in the multilateral talks on the GATT.

The Minister said a certain amount of flexibility will be needed to achieve optimum results in the negotiations over tariff cuts, the reduction of non-tariff barriers and steps forward in agricultural trade. But he stressed Germany wants barriers lowered, and in an apparent reference to French policies warned against talk of harmonisation which could conceal plans to raise trade hurdles.

Friderichs said that many are sceptical as to whether the talks will yield any significant results.

He said the European Community, Japan and the U.S. must be clear about what contributions they intend to make to liberalising trade.

A particular difficulty is that the European Community has still not reached a joint position. Friderichs said that Germany will advocate the adoption of as free a trade standpoint as possible when the EEC Ministers meet in Tokyo on September 11 on the eve of the GATT round. Reuter adds from Dusseldorf.

New Zealand import policy attacked

BY OUR OWN CORRESPONDENT

WELLINGTON, September 4.

IN ONE of the most outspoken comments made by any British High Commissioner for a number of years, British High Commissioner Mr. David Scott was to-day strongly critical of New Zealand for buying goods, particularly engineering goods, from Britain's competitors and described New Zealand's import policy as being restrictive. On both British and foreign trade Mr. Scott declared that trade had to be a two-way affair.

Last year New Zealand sold two-thirds as much again to Britain as the U.K. exported to New Zealand.

The latest trade figures show that Britain is "clearing a bit of this back." Mr. Scott said. The High Commissioner also

U.K. High Commissioner David Scott is strongly critical.

pointed out that Britain, in fact, was providing a large part of the foreign exchange with which New Zealand was financing its purchases from Germany, Japan and its other competitors.

OTHER NEWS

● **An International Association of Institutes of Export** has been formed to foster education and advance professional standards in the field of international trade education. The new association will develop forms of cooperation among members aimed at disseminating details of advancement in education methodology and will encourage and assist research activities to advance knowledge pertinent to international trade education and consequently increase the available body of teaching material.

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● **British imports of wines**, vermouths, and spirits soared in the first seven months of the year compared with the same period of last year. All showed steep increases in volume and value. Volume of wine arrivals in this year's period was 44 per cent. ahead of last year's and totalled 37.4m. gallons while value—due to the floating pound and increased producer costs—more than doubled to £68.6m.

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● **British Carpets Export Association** announced that overseas sales of British carpets have shown such a marked upward trend in the first half of this year that the manufacturers are forecasting total exports worth £55m. for 1973, compared with last year's record exports of just over £38m. Exports in the first six months of the year amounted to £26m. in value (16m. square yards) a 47 per cent. increase in value over the same period of 1972.

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● **British sales of wool to Hong** Kong's woollen knitting industry have rocketed during the first five months of this year to HK$1,074,000 (£85,900) compared with sales worth only HK$58,000 (£4,640) during January to May last year. Overall Hong Kong purchases of wool during this period have increased by 108 per cent., the principal suppliers being New Zealand and Australia with Britain now accounting for just over 5 per cent. of the colony's total wool imports worth HK$21.1m. (£1.68m.).

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● **Athena Reproductions**, Britain's largest fine art publishing and sales organisation, reported exports for the first seven months of 1973 totalled £67,500 (representing over 15 per cent. of total sales) compared with a figure of £35,850 (in itself a record) for the first seven months of 1972.

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● **Kenya** is to manufacture cornflakes, thus easing the burden on the import bill and at the same time making a gesture to the expatriates, who are the main consumers. A new £125,000 factory, P. J. Products, is getting into production, and is the first of its kind in East Africa. £100,000 has been made available by the Government, from a Danish loan. The plant will initially process about 1,000 tons of corn a year. Exports are planned to Zambia, the Seychelles and the Gulf.

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● **The South Korean Government** has approved the project of Korea Shipbuilding and Engineering Corporation to build a large shipyard with $82.8m. loans from the U.S. Export-Import Bank and the Morgan Guaranty Trust of the U.S. The Korean company, which has a 70,000-ton shipyard in Pusan, plans to construct another shipyard capable of building large tankers totalling 3.5m. tons in tonnage annually at Okpo on Koje Island, near Pusan, by mid-1975. The U.S. Ex-Im Bank will provide $41.4m. and will underwrite part of another $41.4m. loan from Morgan Guaranty Trust.

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● **Australia** will establish an Export Bank to help increase the competitiveness of Australian goods on the world market. The Prime Minister said the bank would provide financing, particularly for exports of machinery. It would also provide lines of credit to developing countries and state trading organisations.

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● **Argentina and Cuba** recently signed a trade treaty providing for the purchase of $1,200m. worth of Argentine goods by the Caribbean island republic over the next six years. This expands another recent treaty signed between the two countries two weeks ago envisaging the shipment of $200m. over the next year. It is foreseen that the bulk of the Argentine sales to Cuba will be tractors and other farm machinery, lorries, railway material and other transport equipment, diesel motors, components for naval construction, for construction and for Cuba's food industry. According to the terms of the treaty, Cuba will pay 15 per cent. of the fob value in the port of embarkation and the other 85 per cent. over eight and a-half years.

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● **Uruguay** has approved a more liberal foreign investment law offering guarantees of profit remittances in investments "compatible with national interests." A decree said foreign investment was welcome in Uruguay as long as "it would complement the national goal of fostering and propelling the process of development, especially in increasing sources of jobs." Foreign capital was defined as "investment brought from abroad, in whatever form, that utilises machines, materials, patents, technical processes and brand names and which is made in freely convertible currency." There will be the right (on the part of the investor) to re-export capital at its import value and to remit profits abroad," the decree said.

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● **Turkey** has reduced the customs tax on imported tyres and tubes from 40 per cent. to 1 per cent. in order to encourage their importation as there is a shortage of tyres and tubes in Turkey. The reduction which will remain in effect for two years will equalise prices of imported and local tyres and tubes. Import permits will be issued by the Ministry of Industry and Technology.

Official aid for British in Leipzig

Financial Times Reporter

LEIPZIG, Sept. 4.

FOR THE first time at the Leipzig Trade Fair, U.K. exporters are enjoying official support from the British Embassy in East Germany which was opened in April.

A team from the commercial department in Unter den Linden, Berlin, headed by Mr. James E. Reeve, has set up offices on the Department of Trade and Industry stand to help the 86 companies represented in Leipzig this week.

Mr. P. A. Thodes, Britain's Charge d'Affaires, met U.K. exhibitors last night at a reception being given jointly by the British Overseas Trade Board and the East Europepan Trade Council.

Sir John Stevens, chairman of the EETC, and Mr. J. Rooke, chief executive of the BOTB, are visiting the 800-year-old fair for a few days and will later go to Berlin. They have a full programme of discussions with East German officials on matters relating to the improvement of trade.

In the first half of 1973, U.K. exports to East Germany totalled £7.2m., against imports worth £12.7m.

India moves on foreign companies

By K. K. Sharma

NEW DELHI, Sept. 4.

THE INDIAN PARLIAMENT has passed a Bill imposing severe restrictions on foreign trading and commercial concerns and seeking to force foreign manufacturing companies to Indianise their capital structure.

Guidelines on the use of foreign capital are to be issued by the Finance Ministry soon but until then foreign companies will be asked to dilute their majority holdings to 40 per cent. under a phased plan.

The new Bill codifies laws regulating certain payments and dealings in foreign exchange and securities, transactions indirectly affecting foreign exchange and import and the export of foreign exchange resources of the country.

A major amendment accepted by the Government bars foreign companies from using brand names in India for their products since it is believed this places Indian companies at a disadvantage.

DUTCH PROTESTS ON ELECTRONIC IMPORTS

AMSTERDAM, Sept. 4.

TWELVE DUTCH importers of Japanese electronic equipment said they collected 25,000 signatures from visitors to the hi-fi exhibition held in Amsterdam last week, in support of a protest against the restrictions on the import of Japanese electronic articles.

The Dutch Government's restrictions on the import of Japanese radios, TV sets and recording equipment, urged by Philips Gloelampenfabrieken, have been in force since January 15, they added.

The protest will be presented to Holland's Economic Minister, Ruud Lubbers. Japanese and Dutch trade representatives will resume talks on the restrictions on September 15, the importers added.

Reuter.

JAPANESE VEHICLE EXPORTS RISE

TOKYO, Sept. 4.

JAPAN'S vehicle exports, including mini-autos with an engine capacity of 360 cubic centimeters or more, totalled 182,592 units in July, up 8.2 per cent. from June and up 11.3 per cent. from July, 1972, the Japan Automobile Manufacturers Association said yesterday.

July exports were valued at $380.2m., including $24.7m. of parts, up 8.7 per cent. from June and up 31.7 per cent. from a year earlier, the Association said.

The total exports included 128,917 passenger autos, up 11.9 per cent.; 52,678 trucks, up 9.6 per cent.; and 997 buses, up 21.4 per cent., all compared with a year earlier.

AP-DJ

GARDENS TODAY

Thoughts on cottage gardens

BY ROBIN LANE FOX

THERE IS a wide gap between those who write about gardening and most of those who only garden: in August the gap is at its widest. August, complain the writers, is a lean month when the garden is tatty, tired and too full of yellow: August, answer most gardeners who have not bolted to the Costa Brava, is the peak of the summer season, the moment when colour leaps from the blaze which we have been stoking since March.

The plain man

The dahlias are opening their cacti and pompons of mauve and orange; the bedding plants are a riot, led by the marigold and blue lobelia; the floribunda roses are coming again, in so far as they have ever stopped; what do we care if the experts who only grow old-fashioned roses are fighting the black spot they deserve or if the new modern garden is meant to have little room for annuals and even less for strong colour? The experts, once again, are remote from the plain man, though he and the experts practise the same craft.

There was indeed a time when the plain man's practice was respected and rarefied by experts who set themselves above him. The plain man was credited with a style called cottage gardening and the expert condescended to copy it. Cottage gardens were canonised as the home of old-fashioned flowers; everybody had a story of the rose which was found growing on grandmother's west wall and which nobody in the neighbourhood had yet been able to identify since her death.

This rose would be piously multiplied by cuttings; grand gardeners would claim to be aiming for cottage profusion and take up grandma's selection as part of their new abandon; gardens of wild flowers, old favourites, mass planting without planning and paths of irregular paving were defended as true to her cottage ideal. Even the great Miss Jekyll, queen of twentieth-century gardeners, who could learn a trick or two about peat blocks from what she called the cottage good...

Being too young to have seen grandma's garden, I am very reluctant to believe in this cottage cult. One of the more encouraging facts about the housing crisis had always seemed to me to be that young villagers can leave their cottages for comfort while the middle classes knock their heads on exposed beams for the cost of a second mortgage and complain that rising damp has spoilt the Sunday newspapers; I exempt, of course, all cottages which are secondary to their wild natural setting, though even there I have no wish to sit at a gate-leg table or help the price of oak spinning wheels and uselessly small chairs to quadruple itself. I have yet to see more than three cottage gardens which approach the idealists' view of them; to check on this I have spent a week inspecting cottage gardens in East Anglia, a suitably-cottaged area, from the vantage point of a horse.

Neatly tended

Out of eight hundred or so small gardens whose fence was lower than the horse's back, only two showed any signs of cottage profusion and one of them, a forest of sunflowers, was found on inquiry to be an economic crop to feed the terriers, not a nostalgic reflection on Van Gogh. The other was notable... its broad beans and petunias... case you think that I was... ing in a bad area, I must... that 70 per cent. of the... plots were gardened was no... very carefully. The Marigolds... shortage of colour by them-... were grown in recent... of the selves in 30 ... the single-... gardens. ... Marigold which flowered ... as Tagetes was seedsmen ... bright show in making it ... of serious gardeners' 90 per cent. ... front ... were less common ... I expected, probably ... their tubers are not ... and have to be stored in winter; cactus flowered varieties were the most popular choice. Second only to marigolds was the annual Kochia, a surprising second-best whose grass green leaves are as fine as hair and whose two foot high bushes look like coniferous bollards.

There was only one old-fashioned rose, six ... tobacco plants, no ... mignonette, no stocks ... or cornflowers. Red salvia... asters and bush ... mauve-red hybrid tea ... stamped out the scent, ... and happy informality ... were once supposed to ... with the cottage ideal.

This last sentence might ... you think that I side wi... experts nowadays and ... write off August as a ... and colourless month. ... would never grow an... with a second name like ... Drop, but I have always ... on annuals in any other ... than orange and salvia ... the high spot of a ... August garden; it is ... in this vintage ... annuals that I ... the many varieties ... have flourished ... the ...

My choice ... been so ... with the Anglians' ... annuals of ... favour other ... I cannot ... sort ... there is ... ever ... in an Engl... per... garden nor that ... has been killed ... serymen who feed the pub... garishly-coloured stock on ... pretext that it will turn ... neighbour white with envy.

A common rose

I remember the last ... occasions when grand... "unknown" rose was perp... ated by her descendants, ... after her cottage had been ... it turned out to be P... Scarlet Climber, grown unu... wild after two years of neg... There are few commoner r... on the market.

Likewise, I doubt whether ... cult of the cottage garden ... ever been rooted in reality. ... doubt there are except... especially where good garde... lived in cottages anyway. ... is going to take a ma... memories, photographs ... protests from readers befo... believe that English cott... have ever made masses ... charming gardens or that ... was ever the plain man's ... for anything other than ... beds of unromantic marig...

Engineers holding Commonwealth talks

ABOUT 40 delegates from 13 ... the Commonwealth ... expected to attend ... Engineering Conference (CEC) opening in London next week. The conference, for which the Council of Engineering Institutions (CEI) is the U.K. member and host, is being held from next Tuesday, September 11, until September 13.

Delegates are expected from Australia, Bangladesh, Canada, Ghana, India, New Zealand, Rhodesia, Singapore, South Africa, Sri Lanka (formerly Ceylon), Trinidad and Tobago, and Zambia, as well as from Britain.

The first day will be taken up by meetings of the Board of Commonwealth Engineering Education and Training, the working party on a Commonwealth Engineers Register and the executive committee. The conference proper starts the following day when delegates will be welcomed by Sir Angus Paton, chairman of the CEC. This will be followed by a keynote address from Dr. Ieuan Maddock, chief scientist at the Department of Trade and Industry.

On the evening of September 12 a Government reception will be held for delegates at Lancaster House.

The CEC, among whose aims is to act as a focus for professional engineering opinion of the participating institutions and to encourage engineering education and training in the Commonwealth, first met in London in 1946.

The CEC has initiated two "regional" meetings—one of them in the Caribbean in May and the other in India in July—and both have taken place this year with the financial support of the Commonwealth Foundation.

One of the chief interests of the conference concerns the status of the professional engineer and the question of his registration as a means of protection for the profession

MARKHAM PIT ACCIDENT PROBE

The public inquiry into the accident at Markham Colliery, Chesterfield, on July 30, will open at the Town Hall, Chesterfield, on Wednesday October 10. The inquiry will be conducted by Mr. J. W. Calder, HM Chief Inspector of Mines and Quarries.

Nuneaton complex t... cost £4m.

By Peter Riddell

A FIVE AND A-HALF acr... in the centre of Nuneaton ... be redeveloped at a co... about £4m. to provide a ... office, shopping and ente... ment complex.

The scheme, which ... part of the town's pro... ring road, is being carrie... by Parman Developments ... Kingston-upon-Thames, and ... eaton Council, in conju... with Nuneaton Co-ope... Society, which owns part ... site. Work is expected to ... next year.

The development, which ... be phased, will includ... 80,000-square-feet store for ... eaton Co-op and a ... amount of additional sho... plus an entertainments ... Parking will be provided ... more than 1,000 cars.

About 250,000 square ... offices will be included.

'Aged burden' on reso...

BRITAIN'S SEASIDE resorts are "very substantially" relieving cities of the cost of providing for old people, states a report by the National Corporation for the Care of Old People published to-day.

People flock to the coast to retire, landing the resorts with big rates bills for health and social services, it claims. The report, *Housing in Retirement*, says that although this trend is long-established, planning has failed to take account of its scale and implications. Health ... social services in the resor... "inadequate" for the large ... ber of retired people, ... heavier rates.

The average rate per h... eight seaside county boroug... 1970-71 was £54.95, com... with £41.03 for all ... boroughs in England and ...

Yet the only facility abou... in the resorts is private ... people's homes, the ... "industry," according to ... report.

Middle classes step up pressure on Allende

HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

SANTIAGO, Sept. 4.

HE Left wing Press is hope- forecasting the presence of people, a fifth of Chile's lation, at to-night's demon- ion here in support of Dr. idor Allende on the versary of his victory in the dential election of 1970, the middle classes are turn- the screw even tighter on government in a new series toppages.

e Confederation of Pro- al Workers of Chile C) this morning started ern of indefinite duration admin of forcing the gov- and in " re-tify the men who of the country" As reported with the trades- of professionally on strike. was called in day, a strike of the country fixes people region to the south provinces of Llanquihue. The Santiago Press has claimed a large since of success in bringing on to a halt in about a dozen of these provinces. Meanwhile, the transport strike, which has been going on since the end of June, continues and medical services continue to be seriously affected by a widespread strike of doctors.

Among the 87 separate professional institutions whose members are supposed to withdraw their labour to-day are supervisors in the copper industry, the staffs of Shell and Esso, LAN-Chile, the State airline, the railways, the lawyers of Santiago, the Santiago water works, the iron-ore mines, the State steel works CAP, Endesa, the State power concern, the merchant marine, the principal paper factory, private teachers and the public relations trade.

The announcement of the stoppage, however, contained an *undertaking that emergency services would be maintained.* Nevertheless, any interruption of work in the power or petrol industry could have serious consequences.

Yesterday, Dr. Allende persuaded *Admiral Raul Montero* to remain as the Commander-in-Chief of the Navy. He had put in his resignation to the President at the week-end. Last month he spent in the post of Minister of Finance. Dr. Allende's success in persuading him to stay is seen as a sign of his continued influence over the armed forces. Nevertheless, the opposition Christian Democratic newspaper La Prensa ran a front page headline this morning to the effect that the armed forces were withdrawing their four senior officers from the Cabinet after differences over the treat*ment of the striking hauliers.*

The Minister of Public Works and Transport, General Humberto Magliochetti, yesterday stated *that the government maintained* its position of not renewing talks with the striking hauliers and of assigning brand new lorries to any haulier who wanted to work.

The Central Bank has announced another devaluation of the escudo. A Chilean resident buying foreign currency for foreign travel will now have to pay 1,300 escudos for one dollar as against 890 formerly.

The rate for imports of machinery and spares and for clearings with international organisations goes from 75 to 85 escudos, for the import of non-essential goods the rate will now be 350 escudos to the dollar instead of 300 previously. Imports of food, fuel and raw materials is kept at 25 escudos to the dollar.

The black market buying rate for the dollar is around 2,000 escudos.

Car wage talks begin crucial stage

BY GUY DE JONQUIERES

WASHINGTON, Sept. 4.

THE DILATORY pace of the United Auto Workers' contract negotiations with the major U.S. car manufacturers is expected to quicken later this week, when the union gets down to laying out its detailed demands before the Chrysler Corporation, the company it has chosen as its target for a possible strike.

With only 10 days to go before the current three-year labour contracts expire on September 14, negotiations are obviously entering a crucial stage, though the sense of urgency has been dulled *somewhat by the super*ficially calm atmosphere that has surrounded bargaining so far.

Since the UAW *dismissed* as "a mockery" last week Chrysler's offer of a 3 per cent. wage increase, it has come to be accepted on both sides that it is up to the union to take the next step. The UAW leadership is understood to be planning to present a detailed *package in time* to prod Chrysler into making a second offer by next week-end, after which, it is hoped, serious negotiations can get under way behind closed doors.

Meanwhile, Detroit faced a challenge of a different nature in a Washington court-room to-day, where General Motors and the Ford Motor Company have been called as defendants in the U.S. Government's first *major criminal price-fixing case.*

Conspiracy

The case centres on allegations that the two companies have conspired at the highest management levels to raise the prices of cars sold to large fleet-owners. The maximum possible penalties are fines of $100,000, but the dispute is considered to be of immense potential significance to Detroit because *it may generate* a good deal of questionable publicity and could require a court appearance by such usually reticent luminaries as Mr. Henry Ford II, the Ford chairman, and Mr. James Roche, *former Chair*man of GM.

Both GM and Ford have *stoutly proclaimed their* innocence and have hired batteries of lawyers to defend themselves. The case is likely to drag on for several months, and even after it is settled the motor companies face a batch of civil suits from fleet-owners and others. A criminal verdict against Ford and GM would almost certainly constitute prima facie proof of liability in the civil cases.

It is generally co[nceded] in this year's contract [that the] primary *issue* to be [settled is] the UAW's non-economic [demand] for voluntary overtime. Alth[ough] Chrysler officials have hi[nted] that there might be some room for compromise, the UAW claims that the company remains resolutely opposed to the demand and that Chrysler negotiators have been *instructed to give no* quarter on this point.

The motor industry has traditionally resisted surrendering any important management prerogative, and the UAW's demand that workers should be permitted to choose when they wish to work overtime—rather than have to obey company orders as they now do—crystallises a *fundamental* difference in outlook between management and *labour.*

Principle

In *any event,* the labour and management negotiators have at least been able to agree that the issue should be split into two separate categories, covering week-end overtime and week-day overtime, even though the question of principle remains unresolved.

On the monetary front, the UAW has let it be known that it is seeking annual increases of around 7 per cent., which would cost the motor companies around 50 or 60 cents extra per man-hour worked. While this falls roughly within the Phase Four guidelines for wage increases, its chances of acceptance by the Cost of Living Council are clouded by two related demands.

The first of these is for an improvement in the automatic escalator clause, which guarantees UAW workers additional increases linked to the cost of living index. Under the current contract, UAW members get an extra cent per hour for each rise of 0.4 per cent. in the index, which has meant a total increase of 35 cents per hour over the past 18 months. The UAW is believed to be seeking to lower *the threshold to a rise in the* index of 0.25 per cent.

Secondly, there is the demand *for additional fringe benefits,* and a new code for health and safety grievances. However the UAW is believed to be taking a fairly flexible position and to attach more importance to the acceptance of the principle of such a code rather than to the need for its immediate implementation.

Congress returns to face key power issues

BY ADRIAN DICKS

WASHINGTON, Sept. 4.

CONGRESS *will return from its* summer recess to-morrow to face determined effort on the part the White House to recover the political initiative and get on with the business that President Nixon says has been neglected because of Watergate.

First on the list of priority Bills in the Administration's view is the Trade Bill, which is still under consideration by the House Ways and Means Committee and is unlikely to give the President the authority to negotiate a new multilateral trade agreement much before the early part *of 1974. So far* the committee has been broadly sympathetic to the President's objective of greater liberalisation of trade, but in order to avoid still further delays, the White House may have to agree to drop the Bill's controversial section giving most-favoured-nation status to the Soviet Union and to try to achieve this through separate legislation.

The White House also has hopes for early action on two special revenue sharing Bills and a Bill to create an independent corporation to provide legal services.

It will *also be keen for* Congress for complete action on the Alaska pipeline Bill and a number of key appropriations.

Congressional leaders, however, are likely to be no less interested in at least three issues in which a head-on conflict with the President appears no less probable now than when Congress rose at the beginning of July. *One of the first tests is* expected to be the Minimum Wage Bill, which both Chambers completed action on before the recess but which was sent to Mr. Nixon's desk only last week in order to prevent him from exercising a so-called pocket veto—refusing to sign the Bill.

In the event the Bill is likely to provoke a direct veto from the President, who has no option in the context of continuing infla*tion to argue* that an *increase* in the normal minimum wage to $2.20 an hour next July 1 is a move that can only give the inflationary spiral another twist.

Mr. Nixon is also likely to use his veto against two Bills still pending—one that would limit his powers to make war, and the other that would prevent him from impounding funds already voted by Congress.

These two issues, which first surfaced in the early part of this year in an exceptionally low period of relations between the President and Capitol Hill, will provide an acid test of the much talked about, yet little seen, determination of Congress to profit from the weakness of the Nixon White House to recover the Constitutional role which it feels has been stolen from it.

URANIUM ENRICHMENT

Canada's $1,000m. nuclear bet

BY ROBERT GIBBENS, MONTREAL CORRESPONDENT

CANADIANS find it difficult to accept that Brinco, part of the worldwide Rio Tinto-Zinc Corporation group, should be attempting another $1,000m. resource project, this time to enrich uranium, hardly before the last turbines at the Churchill Falls hydro development in Labrador have begun spinning.

There is the feeling, for one thing, that projects of this size are really the preserve of governments and not of private enterprise. Public shareholders may be forgiven if they are anxious to see dividends soon and the stock price higher than $5 or so. But Brinco, with cash flow rapidly rising from income from *the Churchill Falls* hydro development (which it controls with provincially-owned Hydro-Quebec and the Newfoundland Government), is becoming a fully-rounded resource development group with growing interests in oil and gas besides metallic minerals. These will help to provide the base large enough to handle its proposed uranium enrichment project. It has put up a plan to the U.S. Atomic Energy Commission, in which the Canadians would finance a plant built with the help of U.S. technology.

Determined

At the helm of Brinco is Mr. *William D. Mulholland,* an American in his mid-forties, an investment banker who has spent most of his working life in the field of energy—in some form. Mr. Mulholland is the man to whom Brinco turned after the former President, Mr. Don McParland, was killed in an air crash at Labrador City at the close of the 1960s.

Mr. Mulholland is a determined man—some say a dreamer. He has worked for two years preparing the way for the enrichment plant, travelling constantly to the U.S., Japan, and Europe *to sell what he feels is a* tremendous opportunity for Canada, and arguing the economic benefits of the project in Ottawa. Though not a technical man by training, he has every aspect of the enrichment plant project clearly defined in his mind—from the politics, the *technical challenge, the manufac*turing requirements to the details of depreciation scheduling and financing. He is a pragmatist. He has lived with it for two years, and is determined to be ready to start construction in about two years' time. By then, even without the enrichment plant, Brinco will be well on the way to eclipsing its Canadian sister, Rio Algom Mines, as a resource development company.

On August 1, Mr. Mulholland got what he wanted from Ottawa in the shape of a declaration of policy on the enrichment plant—which in turn dovetails with the Federal Government's unfolding policy on the whole energy question. In summary, the Energy Minister, Mr. Donald Macdonald, committed the Government to giving broad support to the enrichment plant, undertaking to start *negotiations* with the U.S. and others for the transfer of classified technical information for uranium enrichment.

The Government said that the project would have to stand on its own in economic terms (responsibility for the full feasibility studies would be Brinco's), it would have to phase in with other large projects such as pipelines, and the balance of payments consequences of capital *inflows* required would have to be considered carefully.

The exact location of the plant will be decided in the next two years—and on that point Mr. Mulholland carefully hedges his bets. It will probably be sited to rely on hydro power, for reliability and relative *low cost,* though that is not an absolute requirement. What will be essential, however, is a large source of clean fresh water for cooling. The Canadian provinces with large, undeveloped hydro sources are mainly Quebec, Manitoba and British Columbia. Certainly the cost of power will be a major factor—it represents about half the cost of the diffusion process of uranium enrichment.

Markets

Mr. Mulholland says his experience with the Churchill project convinced him of the capabilities of Canadian manufacturers to make most of the equipment. About $900m. of equipment, materials and services would be needed, and the bulk of the money would be spent in Canada. Brinco has already informed Canadian manufacturers of its technical requirements.

A workforce of 9,000 directly engaged in construction and in manufacturing plants handling orders would be required, and the enrichment plant would employ about 1,400 permanent skilled workers. The process used would be a modernised commercial version of the American diffusion system, with possibly some scope in the later enrichment stages for the gas centrifuge system. Markets for the product would be the U.S., Asia and Europe, as the pace of nuclear power development builds up in the early eighties. Mr. Mulholland expects his plant to be ready in 1981.

Brinco has successfully argued with the Government that the enrichment plant would provide *a major secondary industry to* upgrade a Canadian natural resource. It would roughly double the value of refined uranium oxide. It would also enhance the experience of Canadian engineering and manufacturing, diversify exports and could lead to important equipment orders for *other enrichment* plants which the world will need in the 1980s and 1990s.

Canadian uranium producers will have access to the plant for enriching their product, and countries building up their nuclear power industries will have an alternative source of supply for enriched fuel. Mr. Mulholland estimates that enrichment capacity outside Communist countries will have to double by 1978 to meet the demand, and that existing large stocks of enriched fuel will be exhausted by then. U.S. electrical companies, now with access to *U.S. Atomic Energy Commission* technology, are looking at the possibility of building a commercial enrichment plant in the U.S., but there are problems with power and water. Brinco says its own task force is well ahead of these companies in its technical and economic planning.

Brinco has had talks with prospective private-industry partners, and it would probably end up with an equity stake of *between 30 and 40 per cent.* in the project. A major stake would be held by the Mitsubishi and Marubeni industrial groups of Japan, and a major West German company would also join.

Atmosphere

Though the Ottawa policy statement on August 1 was cautious in tone and *designed* to fit the political atmosphere in Canada, an address to the recent Canadian Nuclear Association conference by Mr. O. J. C. Runnalls, a high official of the Department of Energy, Mines and Resources, went much further. He said that low-cost hydro power could be the key to providing competitive enriched uranium, and an enrichment plant might provide the necessary load for economic development of a hydro site which otherwise might not be attempted because of its distance from normal markets and the high cost *of transmission.* Though the Canadian reactor system uses natural uranium fuel. Canada would be a major exporter of uranium oxide and thorium through the 1980s and every effort should be made to upgrade the product for world markets.

There might well be two quite separate nuclear fuel businesses developing in Canada, Mr. Runnalls argued: one based on development of CANDU reactors and the use of natural uranium with the later introduction of plutonium recycle and thorium-based fuels; the other based on uranium conversion and enrichment, largely for export. Finally the finished fuel fabrication stage is possible.

OECD oil group aims for common price front

BY RUPERT CORNWELL

PARIS, Sept. 4.

AN ATTEMPT to co-ordinate the position of major oil consuming nations in the face of higher price demands from the producers will be made on an unscheduled one day meeting of the restricted group of the OECD's Oil Committee here next Tuesday.

The Paris talks will come just four days before a special Conference of the OPEC nations in Vienna, at which the producing countries wil try to come up with a pricing formula to increase their oil revenues to take into account the sharp increase in world inflation.

But they will have been lent extra urgency by the recent events in Libya, and the decision of Colonel Khedaffi's Government to raise the price of crude to $6 per barrel—much higher than prices in the Gulf, from where most of the West's oil imports come, and $1.10 above the buy-back price laid down earlier for the companies that had agreed to Libya's nationalisation terms.

The OECD group will be chaired as usual by Mr. L. G. Wansink, Director General for Energy at the Dutch Economics Ministry, and will comprise similar high ranking officials from the U.S., France, the U.K., Canada, Italy, Japan, West Germany and Norway.

It is understood that the meeting will be mainly concerned with assessing the inflationary implication of the latest moves for the consuming nations, and co-ordinating attitudes. The companies themselves, however, will not be brought into the discussion.

It will be followed on September 19 and 20 by a regular plenary meeting of the 24-nation Oil Committee, at which the conclusions of the OPEC Vienna discussions will be drawn.

A probable topic for the restricted group's agenda next week will be progress towards the long-standing OECD goal for raising oil stocks in member countries to the 90-day level, and also on the question of pooling resources in times of shortage.

Existing intra-European agreements, introduced, but not activated so far, in the wake of the 1956 Suez crisis, cover a small part of resources in times of need. It seems likely, however, that any question of a joint organisation of consumers will be carefully avoided. France for one has reserves on any such plan.

German unions want pay talks on regional basis

BY ANDREW HARGRAVE

FRANKFURT, Sept. 4.

REPRESENTATIVES of the German metal workers' union, who resumed talks here to-day with the employers over the next round of pay negotiations affecting 4.3m. workers in the Federal Republic, insist that these must be held on a regional basis and not centrally as the employers have suggested.

Both employers and the union appear to agree that, in view of the recent spate of strikes and general unrest caused by the steep rise in the cost of living but also agitation by extremists, talks for a new agreement should be brought forward. The present agreement expires at the end of the year.

But, said a spokesman, the union wants to retain its "freedom of action" and carry out, as it has done in the past, strike ballots in each of the country's regions if the employers' offer is unsatisfactory. The signs are that any offer to be made by the employers will fall short of a union demand for a rise not less than 10 per cent.

The employers' spokesman rejected the union's view: and there is a real danger that the talks, now in their third day and going late into the night, will end in a deadlock, with the possibility of fresh industrial trouble.

Earlier to-day Herr Willy Brandt, the Federal Chancellor, strongly condemned a defence of unofficial strikes by young socialists and appealed for a support of the Government's stability programme.

Belgian workers ask for closer watch on profits

BY LORELIES OLSLAGER

BRUSSELS, Sept. 4.

BELGIUM'S BIGGEST trade union, the General Workers Federation, has called upon the Government to intensify the fight against inflation by keeping a watch on profit margins and the costs of marketing, particularly advertising and misleading "special offers."

Discussing the union's priorities in the months ahead, secretary-general Georges Debunne told a Press conference that Belgian workers were "frustrated" by inflation despite the fact that wages and salaries in this country are linked to the cost of living index. In some sectors of the economy pay was not being adapted quickly enough to increases in the index, he added. According to M. Debunne consumer prices in Belgium have risen by 6.93 per cent. between August, 1972, and August this year.

He also called for a reform of the tax system to alleviate the effects of inflation on small incomes and increase the burden on incomes above B.Frs.600,000 (about £6,500) a year. Moreover, it was necessary to protect savings against erosion by inflation. At present the average interest rate for the small saver was 4 per cent., not even enough to compensate for rising prices.

M. Debunne also accused Belgian employers of frustrating schemes for giving their workers more information on the company's financial affairs, in particular on [illegible] enterprises.

France hit by foreign workers' strikes

By Rupert Cornwell

PARIS, Sept. 4.

THE MASS protest by North African workers in the South of France against the recent outbreak of racial violence spread further to-day, affecting the Var region centred around the major naval centre of Toulon.

A large number of the Var's estimated 20,000 immigrant workforce went on strike, in an extension of yesterday's action which saw tens of thousands of Algerians in the Marseilles region, centre of much of the unrest, stay away from work.

Marseilles to-day was still affected by the movement, and a number of companies were forced to stop work. In one case, the Hemery engineering concern, French workers downed tools as a gesture of solidarity with their migrant colleagues, following a call from the local branch of the powerful CGT Communist-controlled union.

At Fos, the giant steel works rising on the Mediterranean coast nearby, much of the construction work came to a halt as North Africans who account for 60 per cent. of the workforce stayed away to-day. Shipyards and building sites in the region were also affected.

Seven dead

The union condemned the series of racial incidents which have cost the lives of seven Algerians in the last 10 days as being part of a carefully orchestrated campaign to force a cutback in the number of immigrants permitted from North Africa.

Only by a joint stand of French and foreign workers, and not by racialism and the police, would the true interests of labour be defended.

Despite the appeals for calm that have been emanating this week from various quarters, the tension is unlikely to be reduced by the decision to expel a Swiss priest, known for his work in immigrant communities in Marseilles, to his country of origin.

The authorities took the action against Father Berthier Perregaux, who has been in Marseilles since 1967, on the grounds that he had infringed the "political neutrality" expected of a foreigner while residing in France.

ANTI-DISSIDENT CHARGES MOUNT

MOSCOW, September 4.

THE SOVIET Press compaign against Dr. Andrei Sakharov, now the sole intellectual actively campaigning for civil rights here, continued to-day with indignant letters from workers, condemning his recent statements.

He was again accused of opposing the Soviet Communist Party's policy of detente with the West and of betraying Soviet science.

Reuter

Lip talks break down once more

BY GILES MERRITT

PARIS, Sept. 4.

TALKS AIMED at finding a solution to the marathon Lip crisis broke down once more this afternoon after only a few hours. Held between representatives of the 1,300 Lip workers and M. Henri Giraud, the "company doctor" appointed by the French Government to implement its own rescue plan, to-day's negotiations had hopefully been expected to establish a compromise settlement to the four and a-half month long row.

But the only hopeful sign to emerge from to-day's meeting was the news that the two sides have agreed to reconvene on Saturday. It is expected that one of the chief Lip leaders, M. Charles Piaget of the Leftist CFDT union, will be then have returned from Stockholm where he is currently meeting Swedish trades unionists.

This latest round of talks, which opened early this afternoon at Arc-et-Senans, a small town close to the Lip factory at Besancon, follows last week's breakdown of negotiations over the central point of whether Lip should remain a single company or whether the Government plan to split it into four separate operations should be accepted by the workers.

With the stalemate once more no nearer solution, the Government's position to-day received a further blow with the news that yet another French factory has followed the Lip example with the workers taking over production despite their company's having been declared bankrupt.

This latest instance at the Etablissements Duceux hatmaking concern, based at Saint-Dié in the Vosges, suggests that the Lip "cause" is beginning to gain impetus. With France's workers now flooding back to work after the August holidays it is feared that the Duceux case may only be the start of a new wave of "workers' control" incidents.

Bundesbank's new bond issues

By Andrew Hargrave

FRANKFURT, Sept. 4.

THE BUNDESBANK'S Federal Bond Committee this evening announced the latest instalment of bond issues as part of the government's anti-inflation measures as well as an issue of its own, to the total value of DM1,000m.

The bond's committee's DM500m. issue with a 10 per cent. coupon and at an issuing rate of 101.25 over seven years and a yield of 9.75, confirms observers' views that while there has been a slight decline in the yields of fixed-interest securities over the past few weeks, the "10 percenter" or something not very much below it is likely to persist at least until the end of the year. The bonds will be on offer to the public between September 7 and 11.

The other two are both federal issues, at DM250m. each. The first, to be offered on September 12, will be over an eight-year period and also carry a 10 per cent. coupon. The issuing rate will be determined by "the conditions of the market."

Terms of the second issue, also of DM250m., will be "determined by the market conditions prevailing at the time of issue."

The proceeds of both Federal bond issues will be frozen at the Bundesbank in accordance with government policy to reduce liquidity.

Irish consumer prices 'to rise 10%'

BY DOMINICK J. COYLE

DUBLIN, Septemb[er 4.]

CONSUMER PRICES in Ireland are now expected to increase by some 10 per cent. this year according to the latest propections by the Economic and Social Research Institute (ESRI) published here to-day.

Food prices alone, says the institute, will rise by about 14 per cent., a level of price inflation which the ESRI isolates as the one dismal feature of an otherwise generally optimistic review of the economy.

Growth rate

Since its last economic commentary in April, the Institute has revised upwards its projections for economic growth as a whole, and it now anticipates that the growth rate of real GNP in 1973 will be nearer to 6 per cent. than the 5 per cent. estimated four months ago.

This higher growth is coming mainly from exports which continue to improve, although a price increase of almost 11 per cent.—principally higher agricultural prices—reduces very considerably in real terms the estimated volume growth this year of almost 16 per cent.

The ESRI is forecasting a somewhat more rapid expansion in imports which are now expected to rise by almost one-fifth by volume, concealing an estimated price increase of just under 9 per cent.

Despite the £25m. inflow from EEC funds, mainly through farm subsidies, the resultant balance of payments deficit in the current year is put at £75m., or some £20m. higher than last year.

"Although historically, deficits of this order would have been a source of worry, they must now be considered small relative to the overall value of trade. Moreover, given the normal level of capital inflow, the external reserves are likely to be maintained at a satisfactory level."

The institute is, however, concerned over the inflationary pressures persisting—and indeed increasing—in the economy and it reinforces an earlier warning that the prime objective of the Government's economic policy should be the successful conclusion of a third national pay agreement "and the employment of appropriate fiscal, monetary and price control policies."

Union policy

The existing national wage agreement, with its built-in escalator clause to compensate workers for rises in the official cost of living index, expires for many industrial categories at the end of this year, and the national employer/labour conference is due to meet shortly to consider preliminary steps towards the opening of negotiations on a new agreement.

The Irish Congress of Trade Unions has yet to take a definitive policy decision on whether or not to enter fresh [...] tions, but many of the [...] based unions affiliat[ed] congress are already [...] their opposition.

SWISS INFLAT[ION] WARNING

ZURICH, Se[pt. 4.]

THE ANNUAL inflation [...] Switzerland could rise to a level of some 9 per cen[t] [...] autumn, according to a s[...] made to the Zurich [...] Finanz und Wirtsch[aft] [...] new Swiss Governm[ent] [...] for Economic Studies [...] Francesco Knesch[aurek] [...] of-living index [...] more per cent [...] expecta[...] every month [...] in th[...] Prof. [...] after the 9 pe[r] [...] "certain [...] been reached an[d] inflation [...] be possible [...] cent. [...] the inflation ra[te] [...] says [...] per cent. [...] yea[r] [...]

EUROPEAN NEWS

Portugal may ban African debate in coming election

BY BRUCE LOUDON

LISBON, Sept. 4.

A BETTER than even chance s developing that in the immi- ent general election campaign he Portuguese Government will mbargo all criticism of the etermination to stay in the frican territories.

This was learned authorita- ively to-day as consideration of eneral election began in the lowly-emerging aftermath of he summer holidays. Though t has not yet been officially nnounced, it is known that the lection will take place on ctober 28, with an official one- onth period of electioneering ue to begin on September 28.

A ban on discussion of African olicy would be a reversal of he initiative taken by the aetano régime during the last lection four years ago. Then ampaigning on the overseas uestion by both Government nd Opposition candidates was ncouraged and became the entral theme of debate and fterwards Dr. Caetano claimed e had received an overwhelm- ng mandate to continue his frican policies.

Influential Government sources ow claim, however, that much as changed in the past four ears. They assert that Opposition movements in metropolitan Portugal have become intimately linked with the African "liberation" movements with which Portugal is locked in battle.

They point out that at the "Opposition Congress" in the northern city of Aveiro earlier this year delegates stood in silence to honour the memory of both Amilcar Cabral, the dead PAIGC leader, and Eduardo Mondlane, slain former president of FRELIMO, and that policies of retreat from Africa and submission to the insurgent movements were adopted at the behest of a strong contingent of delegates from the underground Communist Party.

Beyond this, however, any embargo would most certainly be the result of mounting pressures within the regime: many influential members believe the original decision to open overseas policy to debate was a mistake which profoundly affected morale in Africa.

"We do not discuss whether the Algarve is part of Portugal, so why do we discuss our overseas possessions?" complained one influential source. "Dr. Salazar was quite right when he insisted that the one thing beyond all discussion was national sovereignty."

Indeed, political realities in Portugal following the profound reaction against the international campaign in connection with alleged massacres is such that Dr. Caetano cannot ignore the strong current of opinion in the Army and elsewhere demanding a strong front and no further discussion on the African commitment. There is within the regime a sharp tendency to close ranks and react violently against criticism.

A ban of this type would come as no surprise to the opposition movements which appear to have already abandoned any hope of organising an effective campaign and of getting either a significant number of votes or a seat in the 150-member National Assembly.

'Cholera now under control in Naples'

By Peter Tumiati

ROME, Sept. 4.

SIG. LUIGI GUI, the Health Minister, stated in an interview to-day that the cholera epidemic in the Naples area is now under control and can be said to be dying out. Efforts were being concentrated for the attainment of a similar result in Bari and in the Apulia region.

However a man died of cholera to-day in the little town of Bisceglie near Bari. It was stated this evening that there are three cholera cases in the Bisceglie hospital.

A case of cholera was also reported from Florence to-day. In Rome, 34 people suspected to be suffering from cholera were in hospital and two ascertained cases of cholera have now been admitted in the city. One was that of the elderly pensioner whoe death was reported yesterday, whereas the other concerns a man who is now said to be out of danger.

Preventive measures were being taken all over Italy to-day, with particular attention devoted to the disinfection of ports connected with Tunisia.

The case reported from Cagliari, in Sardinia, yesterday has been confirmed as a cholera case.

● The Health Ministry banned the sale and consumption of shellfish throughout Italy in a bid to stop the cholera epidemic.

Austro-Czech row looms after air incident

BY PAUL LENDVAI

VIENNA, Sept. 4.

FOR THE SECOND time within six weeks, Czech jet fighters on Sunday attacked an Austrian glider with auxiliary motor which strayed into Czechoslovak airspace. The plane crashed and two Austrians on board were killed.

The Czech Government yesterday formally protested against the violation of its airspace. A similar crash, also involving an Austrian glider with two persons killed, occurred on July 26.

The Austrian Foreign Minister, Dr. Rudolf Kirchschlaeger, said last night that the Government was waiting for the report of a commission of Austrian experts which flew yesterday to Prague. The Austrian Government to-day rejected the Czech protest.

While the exact circumstances of the crash caused by the attack of two Czech fighter planes about eight miles within the Czech airspace are far from clear, the Austrian Press reacted to-day with extreme sharpness to what is described here as "unwarranted brutality" of the Czechs in dealing with unarmed gliders straying erroneously into their airspace. The influential daily Die Presse demanded that relations with Prague should be restricted "to an absolute minimum."

After the first incident in July the Czech authorities did not allow Austrian experts to inspect the site of the crash. This time it took six hours or more until the Czech authorities replied to an Austrian query concerning the whereabouts of the small plane.

There is no doubt that the new air incident will subject Austro-Czech relations to further strains. In contrast to relations with all other Communist neighbours, those with Czechoslovakia have never fully recovered from the effects of the 1968 invasion. Talks about a compensation agreement for Austrian assets confiscated after the war have not yet yielded any results despite two meetings of the Czech and Austrian Foreign Ministers this year.

The latest polls show the Social Democrats trailing in the campaign for the Swedish elections on September 16. **Hilary Barnes** discusses the likely changes in economic policy if the Social Democrats should lose power.

Shifting the burdens

THE SWEDISH general election campaign is in full swing and for once it looks as if the right-centre opposition parties have a good chance of victory. If they do take office it will be for the first time since 1932. What difference would it make to Sweden if a non-Socialist Government was returned to power?

The first point to make is that none of the three opposition parties, the Centre Party, Liberal Party or Conservatives, have any intention of dismantling the welfare state or the comprehensive system of social security, which even to-day is still probably the world's most advanced. The opposition parties have generally supported social welfare reforms and in the current election campaign are even outbidding the Social Democrats. One of the Centre Party's main programme proposals is to reduce the retirement age from 67 to 65.

Confidence

A Right-Centre Government would be headed by the Centre Party leader, Mr. Thorbjorn Fälldin, a pipe-smoking farmer who can inspire immediate confidence. The Centre Party became the party of the small farmers and rural poor in the aftermath of the depression between the wars. It formed a coalition with the Social Democrats in 1936 and again from 1951 to 1957. Therefore, it has always had a good deal in common with the Social Democrats. It is only in the last year or two that it has finally and firmly come down in favour of a Right-Centre alternative to the present government. "Equality and security in a decentralised society" is how it sums itself up in the title of its programme.

The Liberal Party, led by Mr. Gunnar Helén, also has a great deal in common with the Social Democrats. Quite a few Social Democrats think that a coalition with the Liberals could be the solution to their troubles if they cannot form a government alone. The Liberals are especially close to the Social Democrats on foreign policy.

This leaves the Conservatives (who a couple of years ago changed their name to Moderates) as the only party with a markedly different profile, with a far more clear-cut dedication to private enterprise and a suspicion of an increasingly strong State bureaucracy. They also believe firmly that Swedish membership of the Common Market would have been compatible with neutrality, but their view will not now influence the decision to accept a trade agreement with the EEC.

For all that the two sides have in common, however, there would probably be some very important differences of emphasis between a Right-Centre Government and recent Social Democratic administrations, especially with regard to economic and business policy.

The Social Democrats have for many years been addicted to the use of selective rather than general measures of demand management. For example, they have preferred to meet cyclical changes in unemployment by providing relief work and job training rather than by reducing consumer taxes. They stuck to this policy in the recession of 1971 and 1972, with growth rates of zero and 2 per cent. The opposition urged general measures to stimulate demand, and industry backed it, arguing that its long-term health depended on an expanding domestic market to boost investment.

But for investment, too, the government has been inclined to use selective measures. Instead of giving a general stimulus to investment it has stepped up investment in the state-owned industries, for example, and it has held the level of industrial investment at a relatively high level through the recession by subsidising investment in anti-pollution measures and devices.

The mighty Labour Market Board, which is responsible for administering labour market policies and has a budget of more than kr.4,000m. (about £390m. or over 2 per cent. of the GNP), also has an investment role—an extremely unfortunate one, in the view of its critics. In some cases it has set up factories producing goods at prices that private concerns say they cannot compete with. Consequently private firms have closed down and the employment effect has amounted to nil.

Equality

One of the underlying reasons for the selective approach (which has a very respectable theoretical basis in the work of a Swedish economist Dr. Gösta Rehn) is the emphasis, increasing in recent years, which the Social Democrats place on equality. They are reluctant to do anything which might improve profits.

The Social Democrats used at one time to boast of their good relations with industry, but since the mid-1960s they have lost the confidence of industry, which has seen its profits falling, investment stagnating, and the tax burden increasing. At the same time the state has begun to play a more interventionist part, increasing the role of state-owned industry, placing state representatives on the boards of the banks, setting up the state Investment Bank, channelling state-controlled funds into the share market, and so on.

Mr. Fälldin, of the Centre Party, has set as a target for a Right-Centre Government the creation of 100,000 new jobs. That implies a climate considerably more favourable to business investment than there is in Sweden to-day. An anti-Socialist Government would probably try to create it by getting away from selective—and discriminatory—measures and by turning to the use of general measures of demand control.

More specific measures have been promised by the opposition parties to help small and medium-sized enterprises. Over the years they have gradually been saddled with two sizeable sets of problems, which together have led to a jump in the number of bankruptcies and takeovers (for tax reasons, smaller companies are particularly susceptible to offers from foreign companies) and a slump in the establishment figures in manufacturing. One of the problems which the smaller businesses are up against is that Social Democratic industrial policy measures, such as the system of counter-cyclical tax-free reserves and some forms of export credit, are only available to larger concerns. An unintended, but quite comprehensive, system of discrimination against the smaller ones has thereby emerged. The second main difficulty, affecting family enterprises and those with a limited number of shareholders, is the tax system. They are severely handicapped by wealth and inheritance taxes in a way in which larger companies with a widely spread share ownership are not. Smaller companies have to make considerably larger profits than big companies if they are to survive a change of generation.

Being wanted

Mr. Fälldin's election programme includes a series of proposals for helping the smaller firms, including a three-year exemption from the 4 per cent. payroll tax for all new labour taken on in that period, special interest-free loans, total exemption from the payroll tax in regional development areas, special export credit arrangements, aid in export marketing, and exemption from the employer's social security contribution for older workers.

These measures would certainly do much to give the smaller businesses the feeling of being wanted, something they have missed in the last few years. But it is an open question whether they could create the 100,000 jobs, most of which, according to the Centre Party, should be outside the main city areas. At first sight, they look like provisional measures rather than basic and lasting reforms, but even so they may be sufficient to give Swedish industry a new lease of life.

Bonn probe resumes

BY JONATHAN CARR

BONN, Sept. 4.

A PARLIAMENTARY probe into political bribery allegations to-day took up its work after a month's recess and invited a Cabinet Minister to appear as the first witness to-morrow.

The Research and Technology Minister, Herr Horst Ehmke, will be the highest member of the Government coalition Parties to appear since the committee began its work in June.

Press reports here claim that Herr Ehmke withdrew DM50,000 from federal funds on April 26, 1972. A former Opposition Deputy, Herr Julius Steiner, has told the committee he was paid the same amount next day as a reward for helping the Government win a vote which enabled it to stay in office.

Herr Ehmke, who at that time was Minister in the Chancellery, has now publicly stated that no federal funds went to Herr Steiner. But he has declined any further details.

Also invited to appear before the all-party committee to-morrow is Dr. Hans Schaefer, head of the Federal Auditing Office. He is in a position to say what sums have been withdrawn, when and by whom.

GREEK MINIMUM WAGE BOOSTED

By Our Own Correspondent

ATHENS, Sept. 4.

MINIMUM WAGES for unskilled workers and minimum monthly salaries for white collar employees in Greece have been increased for the second time this year to meet rising inflation.

An official announcement said minimum wages were raised by about 10 per cent. and minimum salaries by about 12 per cent. Salaries of civil servants were also raised by 10 per cent. retroactively from August 1.

In April this year the Government announced wages and salaries were being increased by between 25 and 30 per cent. in three stage

EEC helps Danish payments

BY HILARY BARNES

COPENHAGEN, Sept. 4.

DENMARK'S FIRST-HALF current balance of payments figures show that the country made a net gain of Kr810m. through EEC financial arrangements. It received Kr1,015m. from Feoga, the EEC agricultural fund, and contributed Kr205m. towards EEC budgets, according to official figures.

In spite of the EEC contribution, the current balance showed a deficit of Kr2,220m., compared with a Kr.700m. deficit for the whole of last year (when the figure was affected by an import surcharge) and a Kr3,400m. deficit in 1971.

The trade deficit for the first seven months came to Kr5,458m., a record, with imports up by 29.8 per cent. and exports by 16.7 per cent., including a 30 per cent. rise in exports of agricultural products, primarily as a result of higher prices under the common agricultural policy.

● Hourly wages in Danish industry in June were 20.7 per cent. higher than in the corresponding months last year, according to the wage index published by the Government statistical office. The index, base year 1970, rose to 154.6 from 128.1 in June last year.

UGANDAN ECONOMY

Living from hand to mouth

BY CHARLES HARRISON IN NAIROBI

THE ECONOMY of Uganda will not easily recover from the setbacks—and particularly from the blows to foreign investment—of the last four years. The rot set in late in 1969 when the then President Milton Obote ordered all banks in Uganda to incorporate as local companies. A few months later he announced sweeping nationalisation measures with the Government declaring that it had taken over 60 per cent. of the shares of the banks and of a wide range of industrial and commercial firms—but without paying for them.

There was a brief period of euphoria after the military coup early in 1971 had unseated Obote, and after the new military president, Gen. Amin, had unscrambled most of the earlier nationalisation moves. But his subsequent expulsion of the Asians (who dominated most of Uganda's large-scale industry and commerce) and his later takeover of British tea estates and many of the British businesses operating in Uganda soon demolished any hope of a more rational attitude towards foreign investment and expertise.

The businesses taken over are now being operated by Government agencies or by individual Africans to whom they have been "allocated." In most cases, the original product names have been retained—the tobacco company still operates as BAT Uganda and produces the same brands of cigarettes, although the British American Tobacco company has been pushed out; tea estates taken over from the Mitchell Cotts group continue to export tea under the same estate names; and security guards continue to wear the Securicor insignia though Securicor no longer has any say in the affairs of the Uganda company.

Similarly, the former Madhvani and Mehta industrial empires, whose Asian owners were pushed out despite their belief that they were Ugandan citizens, are producing sugar, beer, glassware, matches, textiles, steel and many other items under their original brand names.

There still are some important enterprises operating which could be regarded as foreign controlled. Most of the shares in the biggest brewery, Uganda Breweries, are held in Kenya, and the same applies to at least three of the biggest car distribution and servicing companies, one of which is part of the Lonrho group. Unilever has important investments in machinery, soap, detergent and other companies, often linked with larger subsidiaries based in Kenya.

"The economy can recover to a significant degree . . . But it is going to be a long, hard task."

In May of this year President Amin announced that he had ordered all remaining British firms to be taken over immediately. But nothing has been done to implement this, and while nothing is certain in Uganda these days it appears that it will not be implemented. However, that statement alone was enough to convince many of the 100 or so foreign owned companies then operating in Uganda that they had no future. They have either closed down or are in the process of doing so. But the biggest, with aggregate assets of several million pounds, continue, despite all difficulties, because they have no choice. There is no one to whom they can sell out, and even if they did sell they could not take the proceeds out of Uganda.

This applies to Grindlays, Barclays and Standard banks, and to the Indian-owned Bank of Baroda—although they have all drastically reduced their scale of operations and the number of their branches. Their business has shrunk because Gen. Amin has ruled that all State and semi-State business must be placed through the State-owned Uganda Commercial Bank, and that the blocked accounts of the departed Asians and Europeans (who were allowed to take only a small part of their assets when they left) must also be placed with the UCB. It pays no interest on these accounts, though they total millions of pounds.

There is an unreal air about trade and commerce in Uganda. Shops and industries are operating, but many items are either not available or have soared in price. As the stocks left behind by Asian wholesalers dwindle, they are seldom replaced, so the list of shortages grows. The new African businessmen who have taken over find it difficult, and often impossible, to obtain import licences and currency allocations for new imports.

Yet some of them do get the licences and the currency. And there is a thriving trade with neighbouring Kenya, often at inflated prices, for goods which Ugandans are desperate for. The Nairobi-Entebbe aircraft invariably carries Ugandans returning with car windscreens, motor spares, bits of machinery, and other goods which are unobtainable in Uganda.

The Ministry of Commerce and Industry has responded to growing public protests about rising prices and increasing shortages. The Ministry admits, for instance, that sugar (which disappeared from the shops for months) has been changing hands in under-the-counter deals at double the controlled price. And other goods produced in Uganda, which should be going to the local market, are being smuggled into neighbouring countries and sold there. Heavy penalties are being threatened, and efforts to track down offenders are being increased.

Uganda is desperately short of foreign exchange. No figures are published by the central Bank, because Gen. Amin says this would reveal the country's secrets to its enemies. Statistics generally are either months late or non-existent. Since foreign reserves have been run down to virtually nothing, the country must live from hand to mouth, utilising the proceeds of its coffee, cotton, tea and copper exports as they come in.

Production of coffee and cotton is by small African farmers. But there have been serious difficulties in transporting and processing these crops. With the small farmer finding it hard to get his cash, there is little incentive for him to produce more, despite constant Government appeals to do so. The same applies to tobacco, exports of which have slumped although there is a good market.

It looks like taking a long time before a significant part of these problems can be overcome. As a result Uganda must expect continuing economic difficulties though it is a country rich in natural resources, and has not been troubled by the drought which has hit so many African countries.

Given efficient handling of her primary products, and a closer attention to the needs of overseas markets, the economy can recover to a significant degree. But it is going to be a long, hard task. On top of this, Gen. Amin is under increasing pressure to pay compensation for the assets he has seized, which are worth hundreds of millions of pounds. He apparently hopes to stave this off by declaring his readiness to pay, on conditions, but few people, in Uganda or elsewhere, have any illusions about his ability to do so.

(Charles Harrison was until recently our Kampala Correspondent. This is the last of three articles in which he has reviewed the state of Uganda a year after Gen. Amin's Economic Revolution. The previous articles appeared on August 7 and 24.)

South Korea calls for 10.3% annual growth

BY OUR OWN CORRESPONDENT SEOUL, Spet. 4.

SOUTH KOREA has announced a set of long-range economic policy goals which call for an average 10.3 per cent. annual economic growth in the next nine years and commodity exports of $10.970m. in 1981. The country's GNP, according to these goals, will reach $36,100m. in 1981, 3.7 times the level of 1972, and $983 per capita.

The export goal, if attained, would bring about a trade surplus of $681m. in 1981. It represents a six-to-seven-fold increase over last year's record of $1,676m.

The total investment required to finance the 1973-1981 economic development is estimated at $42,200m., of which $10,000m. is to be secured in foreign loans and equity investment. To raise enough domestic funds, it is planned to increase the domestic savings to 27.1 per cent. of GNP in 1981 from last year's 14.6 per cent.

The share of the manufacturing industry would rise to 34 per cent. in 1981 from last year's 23.3 per cent., while the primary industry would drop from 28.7 per cent. to 18 per cent., according to the goals.

The South Korean economy, which stagnated in 1972 following several years of rapid growth, is again on an upswing with the gross national product registering a 19 per cent. rise in real terms during the first quarter of 1973.

Lebanese cabinet discusses death of three 'guerillas'

BY IHSAN HIJAZI BEIRUT, Sept. 4.

THE LEBANESE Cabinet held an emergency meeting to-day under Premier Takieddin Solh to consider the reprecussions of a shooting incident last night in which three civilians were killed and an army officer wounded.

The three men, all Lebanese, were described by the press as followers of a Nasserite popular leader who is known for his support for the Palestinian guerillas. Although they were not directly involved, the commandos warned of the consequences of such incidents.

Premier Solh, who had been in contact all night with the guerilla leaders, said after the cabinet meeting the commandos assured him they had nothing to do with the incident. He expressed hope that all those concerned will exercise restraint, especially during the funeral of the victims of the incident.

He said the military prosecutor was now probing the incident and that the officer involved was at the disposal of the investigators. He promised that strict action would be taken against whoever may be found responsible. Premier Solh later left for Algiers to represent Lebanon at the Non-Aligned conference.

An Army communique said the three men were arrested last night after an army patrol searched their car and found a gun. They were then ordered to drive to the military court with an officer with them in the car. When they tried to change course, the officer drew his gun but one of the men tried to take it away from him. The gun went off and injured one of the men. Firing then broke out outside the car, forcing the officer to open fire, wounding the remaining two men. All three men died later, and the officer was hit in the back and the face the communique said.

A Palestinian commando spokesman said the incident was provoked "in order to renew attempts aimed at striking at the Palestinian revolution and the Lebanese nationist forces." He called on the Government to restrain the elements seeking to bring harm to Lebanon.

Last May a number of persons were killed or wounded in clashes between the Army and the Palestinian guerillas. The incident last night took place in a neighbourhood where many Palestinians live and not far from where the offices of the Palestine Liberation Organisation are located.

● Egypt and Kuwait to-day called for the joint mobilisation of Arab resources in the confrontation with Israel.

A joint communique issued at the end of a three-day official visit by the Kuwaiti ruler, Sheikh Sabah al Salim al Sabah, condemned Israel's occupation of Arab territory taken in the 1967 six-day war and demanded joint Arab action.

The ruler and President Anwar Sadat of Egypt reiterated their support for the Palestinian people. The communique also stressed the importance of the non-aligned summit conference which opens to-morrow in Algiers and expressed support for African liberation movements. President Sadat accepted the ruler's invitation to visit Kuwait at an unspecified future date.

NZ PREMIER TO VISIT NIXON

WELLINGTON, Sept. 4.

New Zealand Prime Minister Norman Kirk said to-day he would visit the U.S. later this month for talks with President Nixon. Mr. Kirk said he would lead New Zealand's delegation to the 28th session of the United Nations General Assembly before meeting Mr. Nixon on September 26.

UPI

Battle for alternative Cambodia capital

PHNOM PENH, Sept.

CAMBODIA'S third largest [illegible] Kompong Cham, was fighting [illegible] its life to-day with Commu[nist] gunners shelling the city [illegible] Government soldiers batt[ling] insurgent forces in the [illegible] suburbs. The Cambodian [illegible] command reported that [illegible] rounds of mortar fire cra[shed] into the city last night.

Fighting within the city [illegible] was concentrated at the spraw[ling] university where fighting [illegible] raged in May 1970 w[hen] Communist-led forces tried [to] take Kompong Cham.

Government sources belie[ve] the insurgents are trying to [illegible] Kompong Cham because it is [a] major city and could serve as [a] rival capital to Phnom Penh, [as] well as giving the guerilla for[ces] a propaganda weapon at the [cur]rent non-aligned conference [in] Algiers and also the forthcom[ing] UN General Assembly session.

The airport, some three m[iles] from the centre, was cut [illegible] although it remained in Gove[rn]ment hands. Aircraft have b[een] unable to land for more than [a] week and supplies are being [illegible] dropped to the city's 100[illegible] people.

All roads leading to Kompo[ng] Cham have been cut, but yes[ter]day a river convoy managed [to] reach the city with tr[oop] reinforcements and ammuniti[on]. Guerillas yesterday captu[red] the 12th century temple of [illegible] Nkor which is one of the m[ost] revered in Cambodia and [has] been used as a refuge for peo[ple] fleeing from the fighting.

From Saigon it was repo[rted] that Viet Cong and So[uth] Vietnamese military negotiat[ors] met for the first time in [illegible] days, averting the threat of [a] complete breakdown in talks [to] implement the Paris agreeme[nt].

Reuter

East African concern at S. African N-bomb claim

BY JOHN WORRALL NAIROBI, Sept. 4.

REPORTS THAT South Africa is making the bomb are causing concern in East Africa. Africans are specially worried at the possibility that, if these reports are correct South Africa will have to test atomic weapons somewhere, like the French and the Chinese, with the risk of fall-out spreading over the continent.

The Kalahari desert is pinpointed as the likely testing ground. Nuclear proliferation is also feared as a result of the development of a South African bomb.

Taking the matter up strongly, the Nairobi Daily Nation said: "Politically, the manufacture of atomic weapons by South Africa shows nothing more than sheer irrationality on the part of the Afrikaner policy-makers. Assuming they hope to gain strategic advantage over Africa north of the Limpopo, it would seem reasonable enough to suppose that those African nations might as well feel compelled to counter this strategic advantage by acquiring nuclear weapons.

"The brutal truth is that either in rocket speed time or aircraft flying time neither party would have more than two minutes in the former, and five or just a little more in the latter, to deliver their loads. And because of the structure of South African industry the greatest damage would fall on her."

The paper says that the nuclear deterrent is no rational answer to the perennial issues of apartheid. "And Africa would certainly be a happier place if the Afrikaner Calvinists were to get out of their shell and start on the long path to true partnership between themselves and the Africans."

Most ANC executives held, says leader

BY DAVID BELL

OVER HALF the executive of the African National Congress in Rhodesia are now in prison, the organisation's vice-president told a Press Conference in London yesterday.

The Rev. Canaan Banana called on the British Government to take positive steps to stop the detentions. Thirty-three out of 55 members of the ANC executive were now in detention, he said.

"We feel that the U.K. Government has taken up a vascillating position and this attitude militates against a meaningful dialogue between Black and White. This attitude is comforting to their Right wing and is raising false hopes for Mr. Smith.

Mr. Banana said Mr. Smith was pursuing a deliberate campaign to crush the ANC and intimidate the Rhodesian African population. "He is determined that they give in to his terms and the constitutional avenues towards a settlement are steadily being closed off," he said.

The British Government should withdraw its 1971 terms which Mr. Heath said at the Ottawa conference were "still on the table." Instead they should take the initiative in pressing for a full constitutional conference in which the Africans could take part as equals.

Mr. Banana alleged that the Rhodesian Army was torturing Africans on the northern frontier of the country. He said that 2,000 had fled to Zambia where they were in refugee camps, but he declined to elaborate on the allegation.

The ANC vice-president had talks with British officials this morning but said that little progress had been made. He is in London for two days on his way to Washington where he is to do a three-year theological course.

Caledonian carrier for Brazil fair

BRITISH CALEDONIAN Airways has been appointed official carrier to the British Industrial Exhibition to be held in Sao Paulo, Brazil, in August next year.

The organiser, Industrial and Trade Fairs International, expects to attract 350 major British companies to the exhibition, which is being sponsored by the British Overseas Trade Board.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HEAT TRANSFER

New twist to cooling

CONVENTIONAL car radiators, along with the fan, fan pulley and water pump, may be destined for the museum even sooner than the conventional internal combustion engine, now threatened by the rotary-engine Wankel.

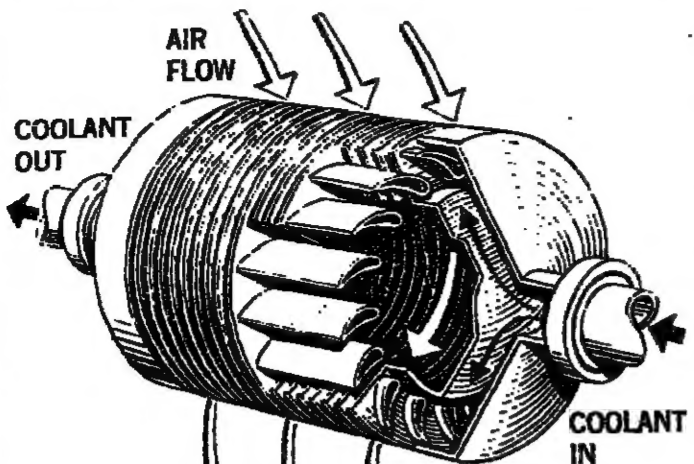
Instead of having a radiator in the front of a car which depends on the ram effect of the car's forward motion through the air, together with a fan, to cool the heated water flowing through its tubes, the car of the not too distant future could be fitted with a rotating radiator which is much more efficient.

The technology which is making this possible is a new approach to most situations where heat has to be dissipated or induced. The basis of this new heating/cooling technology is a rotary radiator/heat exchanger/heat pump in various configurations originally developed in West Germany and perfected in the United States by Donbar Development Corp.

A heat exchanger is a device which transfers heat from one medium to another, or which removes or dispels heat. A conventional heat exchanger consists of a fixed or stationary heat transfer body within which one medium, say, heated water or Freon gas, is circulated by a pump or other means, and over or around which a second medium, say air, is propelled by a fan or other means.

Donbar's heat exchanger consists of a rotating heat transfer body which, because it rotates, does not need an external fan to propel the external medium over the rotating heat transfer surfaces. Two rotary heat exchangers may be combined as a rotary heat pump for room and vehicle air conditioners.

Two basic versions of the Donbar heat exchanger/rotary radiator are currently being developed by the company's licensees around the world. One is a cross-flow layout along the lines of the diagram. This version lends itself to air conditioning and other heating and cooling applications.



The second configuration is the centrifugal version, which appears to be the one particularly suited for automobile applications.

Other car installations of the centrifugal version would be possible, as the location of a rotary radiator is not as critical as that of a conventional automobile engine cooling system.

In the cross-flow type, the Donbar heat exchanger is a rotatable drum whose sides are composed of a large number of closely-spaced hollow, airfoil-shaped blades running parallel to the axis of the drum. As a heating unit, heated water is directed in one side of the rotating drum, through the blades, and out the other side of the drum, while ambient air is drawn over and under the blades by the spinning action of the drum. Chilled water or Freon gas would take the place of heated water when the rotary heat exchanger is used for cooling purposes, such as an air conditioner or fan coil cooler.

The centrifugal version is more like a mill wheel, utilising similar hollow blades at its perimeter, the principal difference between the cross-flow and centrifugal versions being that in the latter the enclosed medium flows in and out of the same side of the heat exchanger.

Many engineers believe that Donbar's rotary radiator will eventually supplant many existing heat exchangers used in cars, oil and water heaters, air conditioners and heating units. In fact, Lonrho's subsidiary, Wankel GmbH, has concluded an agreement with Donbar for the joint development and testing of the rotary radiator. Results so far are reported to be encouraging.

A Japanese company, Daikin Kogyo, believed to be Japan's largest manufacturer of air conditioners, was the first to take up the new heat exchanger for a commercial product under a licence and royalty agreement with Donbar. Daikin Kogyo's appreciation of the potential of Donbar's novel technology has now been seconded by units of two of Japan's biggest companies, Mitsubishi Metal Corporation and Sumitomo Precision Products Company, which are currently negotiating non-exclusive licenses to manufacture rotary heat exchanger core units for air conditioning, heating, vehicular radiator and oil cooler applications incorporating Donbar's technology.

The agreements now being negotiated between Donbar and Mitsubishi Metal and Sumitomo Precision Products will provide for royalty payments to Donbar by manufacturers in Japan and certain other countries that purchase these core units from Mitsubishi Metal and Sumitomo Precision Products. Additionally, Mitsubishi Metal and Donbar have expressed a desire to co-operate in other areas of mutual interest, such as the development and manufacture of Donbar's rotary automobile radiator.

In Europe, Roto-Klimageraete GmbH of West Germany has so far paid Donbar $1m. for an option to obtain a licence under the patent rights Donbar holds on its heat exchanger/rotary-radiator technology. The West German company is applying the technology to a new through-the-wall air conditioning system it is now developing.

Donbar has also announced that it has agreed, in principle, to form a joint venture company in Europe with Torin Corporation of the U.S. to manufacture and sell fan coil units for use in the heating and cooling of buildings. Torin is a large manufacturer of air moving equipment such as fans and blowers, with plants in England and Belgium as well as in the U.S. The joint venture company will be granted an exclusive licence from Donbar to manufacture and sell fan coil units incorporating Donbar's heat exchange technology in Western Europe. Other licensees of Donbar include Evans Products Company and Lear Siegler, Inc. of the U.S., and Karl Heinkel Appartenbau KG, of West Germany. The company is also working with S. A. Usines Chausson of France.

A rotating radiator fitted to an American car. A cooling fan is not needed.

Clear work from servo printer

VENTEK'S servo-printer ... users a very high stand... print clarity.

The new machine pr... print of a quality normall... associated with a high-... electric typewriter. Using changeable type wheels ... a specially developed plast... position, alternative type... give the new complete fle... in the way in which thi... mentation is produced. ... wheel provides up to 96 ... and lower-case characters.

Mechanical elements ... construction of the servo-... are at a minimum, with ... state electronics providin... control of all required ope... It may be expected, the... that in practice very hig... dards of reliability ... maintained.

Print speed is 30 charact... second, with the print ... moving at high speed ... required printing position ... program control. Printin... be performed in reverse ... as in forward tabulation, ... ability of the logic to ... the horizontal movement ... print head in increment... little as 1/60 inch makes ... sible easily to overcome pr... of right hand justificati... proportional spacing. This ... coupled with the ability ... forms transport mechan... move documents up and d... increments as small as 1/... provides the capability fo... plotting under program ...

● COMMUNICATIONS

Step towards a data grid

FIVE years after studies of user requirements for data transmission were completed exchange controller contracts for the Post Office Experimental Packet Switched Service for data transmission have been awarded to Ferranti.

The exchanges are to be set up in Glasgow, Manchester and London by 1975. The service as previously announced will allow for data transmission either in single character or packet form, the last requiring some changes in user terminal facilities. What these changes are to be is not as yet frozen, a decision on this is not expected until meetings have taken place later this month.

The Ferranti contract is for 13 of the new Argus 700E series computers, each with 48K words of store and store protection. They will be arranged in secured pairs, with three pairs in London, one in Manchester and one in Glasgow. The other three computers will be sited one each in each exchange and will be used for monitoring, supervision, and control, and so arranged that in the event of a breakdown in any one of them, one of the others can take over. Among the ways in which the network will differ from its operational progenitor, the ARPA network in the U.S. is first that the P.O. choice of hardware is totally different.

Where ARPA is going down the route of multiprocessor exchanges, the P.O. seems not to be too sure about the operational reliability and the ability of such processors to stand up to the rigorous conditions of field service. Instead it seems to be opting for more processors at each switching point with rigid traffic isolation between units at any point. Secondly, where traffic monitoring, in terms of traffic load registering is handled in the ARPA net via a separate node, this will in the P.O. system be the responsibility of the three control computers.

The software for the system will be written in CORAL, which comes out of work done at RRE Malvern and was devised originally for defence purposes. It has ben adopted as standard interactive software for use in defence establishments. It will be the responsibility of Ferranti which has in the past collaborated with RRE on writing a CORAL compiler.

Eighteen users have agreed to take part in the EPSS network experiment, including three banks, Barclays and the Midland among them, some time sharing bureaux, Universities, Polytechnics, the NPL, and the Edinburgh Regional Computer Centre.

Within the computer industry, Burroughs, Univac and Olivetti are also taking part and intend to provide technical support to any of their customers who wish to join in. ICL may also take part.

Meanwhile, there is some interesting speculation in industry that Grid 77 may also use Ferranti switches together with big machines from ICL's new range as the central control units.

● DATA PROCESSING

A bid for first-time users

NIXDORF Computer yesterday presented a new magnetic disc based system, the Eight-Eighty, developed to provide users with high volume and high speed processing at economic levels.

Marketed at around £20,000 the equipment includes a console—with alphanumeric keyboards, stationery feeds, printer and 400 cps magnetic tape cassette unit—5.8m. byte split magnetic disc unit, an electronics cabinet and a high speed needle matrix printer.

Processing capability ranges from a minimum of 4K (12 bit) core store which can be expanded up to 8K. The 8K operating system, contained separately in read only memory, also controls all disc transfers and handles all peripheral devices.

Designed for first time and small to medium users, the low price allows them to move to disc processing immediately without going through billing, accounting and visible record systems.

Current users of such systems are given the opportunity to use advanced and flexible system designs with more throughput and more applications.

Full program overlay features of the resident operating system permit loading of utility and user programs direct from disc. This enables the system economically to perform both batch and keyboard oriented data processing. Keyboard-oriented processing provides one shot data entry and processing, with file updating and printing in an interactive mode.

Batch processing is possible with data preparation carried out off-line on magnetic tape cassette, for example.

The 5.8 Megabyte split disc enables users to update main files on the upper half of the disc against the day's work on the lower half.

Memory a... lower cost

A CORE memory of 16,00... implemented on a single ... circuit board has bee... nounced by Data General ... Regent Street, W1R 7PE... board takes the form of ... on memory and is com... with all existing Nova 120... computers.

In the past, memory ex... with the 1200 series has ... units of 8k boards, each ... £2,100. The 16k board ... £1,750, so that 16k of ad... memory is reduced in c... about 60 per cent., and or... pcb is involved. In ... General's view, single q... users can now purchase m... sized systems at minicom... prices.

A basic system with ... memory, capable ... extended Fortran ... at £3,500 whereas ... same system cost ... Nova 1210 with ... comes down from ... £5,250.

● PRODUCTS

Changing face of clocks

A SORT of multipurpose timepiece that will tell the time anywhere—pocket, purse, office or home—and measures only 3¼ x 1¼ x ⅝-inch has been introduced to the market by Ragen Industries, of 9, Porete Avenue, North Arlington, New Jersey 07032.

Known as the Timecase, the clock is battery-powered and has a large easy-to-see crystal display that continuously reads out digital hours, minutes, seconds and indicates a.m. or p.m. The device is calibrated to within five seconds a month and is equipped for fast adjustment by means of recessed time-setting buttons. It is powered by a miniature disposable battery with a life of about one year.

Timecase uses a complementary metal oxide semiconductor chip and a multiplexed liquid crystal display. At the moment it is being introduced into the European market in Paris, Lyon and Geneva at a price starting at about $200.

Also announced to-day is a clock movement from Portescap (U.K.) which has the same degree of accuracy—one minute per year is quoted by the company—and which will cost from £14. The unit is a complete battery-operated quartz crystal chronometer/clock movement with six modular items—an integrated circuit control system, a single-phase stepping drive motor, a gear train with self-lubricating bearings, a battery power supply, a cylindrical protective base, and an hour, minute, second dial display supporting plate. Any component can be independently replaced as required.

The product incorporates a Socrem 15.1 miniature stepping motor which is only 14 mm in diameter and 16.4 mm long. The total volume of the whole unit it 13.5 cc (60 mm dia. x 22.5 mm high). The motor has a thin-layer moving-magnet rotor which is claimed to render the unit shock resistant and enable it to be mounted in any position without degradation of performance. It is also imune from external magnetic fields.

This device also runs for a year on a 1.35 volt battery. It has a 32.768 kHz quartz crystal time base, regulated at 24 deg. C ± 4 deg. C. The movement can be regulated by means of a screw adjustment, and is supplied ready for mounting in the purchaser's own case. The only other items that need to be provided are a dial-face together with hour, minute and second hands.

Portescap says it can supply dials in a variety of styles including those with day and date calendars if needed. An alarm version is also available.

Digital network

COMPACT, self-contained, microwave-radio repeaters mounted on poles similar to those used for high-mast radio lighting are envisaged as part of the proposed digital trunk communications network to be set up by the British Post Office.

The radio frequency equipment for these trial short hop radio-relay systems is being designed and developed by GEC Telecommunications under an exclusive research contract awarded by the P.O. The contract includes the supply of prototype transmitter/receiver units for field studies.

The equipment will carry digital signals at a rate of 120 Mbit/s and will operate in the 17.7-19.7 GHz band. At these radio frequencies, atmospheric conditions cause high attenuation which makes it necessary to space the stations at about 5-10 km intervals in order to ensure sufficiently reliable transmission. This relatively short spacing allows the antennas to be mounted at heights of about 23 metres on poles or on existing buildings. All the radio frequency equipment will be mounted directly behind the antennas.

● ELECTRONICS

Wide range amplifier modules

FOUR NEW amplifier modules with flat characteristics (less than 2dB change) from 40 to 890 MHz are announced by Mullard. Because of the wide bandwith, they can provide the amplifying stages in many different types of equipment; typical applications include master television aerial systems, line boosters, radar i.f. circuits, high-frequency oscilloscopes and spectrum analysers.

The modules, type OM175, OM180, OM185 and OM190, have gains of approximately 15 to 25dB, and input and output impedances of 75Ω. Hence, in applications where greater gain is required, two or more modules can be connected together. Noise figures vary from 5.5 to 7dB, and an intermodulation figure of more than —60dB in a two-tone test indicates excellent linearity. Mullard is at Tossington Place, London, W.C.1.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

In The Supreme Court of South Africa
(Northern Cape Division)

Kimberley: Friday the 31st Day of August, 1973
Before The Honourable Lady Justice Van Den Heever

In the matter of the application of The

NEW JAGERSFONTEIN MINING AND EXPLORATION COMPANY LIMITED

Applicant

Having heard Mr. Peart, Counsel for the applicant, and having read the petition and other papers.

IT IS ORDERED

1. THAT a rule nisi do issue calling upon all persons interested and concerned to show cause, if any, to this Court at 10 a.m. on Friday the 5th day of October, 1973, why the following order shall not be made by this Court:—
   (i) that the Special Resolution passed at the Extraordinary General Meeting of the Company held on the 5th August, 1973, to the following effect:
   "That the authorised capital of the Company be reduced from R2 000 000 divided into 1 000 000 shares of a nominal value of R2.00 each to R1 620 000 divided into 1 000 000 shares of a nominal value of R1.62 each and that the issued capital of the Company be accordingly reduced from R1 700 000 divided into 850 000 shares of a nominal value of R2.00 each to R1 377 000 divided into 850 000 fully-paid shares of a nominal value of R1.62 each, and that the directors be and they are hereby authorised to give effect to such reduction by repaying on or about the 25th October, 1973, to members registered as such in the books of the Company at the close of business on the 12th October, 1973, and to holders of share warrants to bearer, paid up capital of the amount of 38 cents on each of the said 850 000 issued shares" is confirmed
   (ii) That approval is granted for the registration with the Registrar of Companies of the following minute.
   MINUTE
   The authorised capital of the company is henceforth reduced from R2 000 000.00 (two million rand) divided into 1 000 000 (one million) shares of a nominal value of R2.00 (two rand) each to R1 620 000.00 (one million six hundred and twenty thousand rand) divided into 1 000 000 (one million) shares of a nominal value of R1.62 (one rand and sixty two cents) each, and the issued capital of the company is henceforth reduced from R1 700 000.00 (one million seven hundred thousand rand) divided into 850 000 (eight hundred and fifty thousand) shares of a nominal value of R2.00 (two rand) each, to R1 377 000.00 (one million three hundred and seventy-seven thousand rand) divided into 850 000 (eight hundred and fifty thousand) shares of a nominal value of R1.62 (one rand and sixty two cents) each, all fully paid up. This reduction is effected by paying back to the holders of the said 850 000 shares, the sum of 38 (thirty eight) cents per share.
2. That this rule be published forthwith once in the "Government Gazette," the "Rand Daily Mail" newspaper, the "Friend" newspaper, the "Diamond Fields Advertiser" newspaper and in a newspaper published and circulating in London, England.

By the Court,
P. Smuts
Registrar

Private medical schemes show less growth in membership

BY DAVID FISHLOCK, SCIENCE EDITOR

PRIVATE MEDICAL care schemes in Britain increased in 1971-72 by only 3.6 per cent. in numbers of subscribers, compared with 6 per cent. in 1970-71, according to a survey published to-day.

The survey, carried out for the Department of Health, found that although about 2m. people are covered by private medical care, the provident schemes are equal to only just over 1 per cent. of the money spent by the National Health Service. It was commissioned by the NHS "to provide some measure of the size, scope and trends in the provision of medical care outside the NHS."

£27m. spent

In 1971-72 spending on private medical care by provident scheme subscribers amounted to £27m., compared with an NHS expenditure of £2,464m.

The subscription income of the provident schemes grew by £5.2m., an increase of 21 per cent. But it was not matched by the rise in the number of subscribers, which went up by only 4 per cent. to just over 1m. The number of lapsed subscriptions reached a record 64,000 last year.

Long-term trend

This trend of rapidly-growing income and benefits but slowet growth in numbers has been a long-term characteristic of the provident schemes' growth, states the survey, by Lee Donaldson Associates, of London.

Three schemes dominate the private medical sector. BUPA, the British United Provident Association, with 78 per cent. of the total income, the Private Patients Plan (18 per cent), and the Western Provident Association (2 per cent.) between them account for 98 per cent. of the income. Group participation now dominates their membership and accounts for the major part of their growth.

U.K. Private Medical Care. Provident Schemes Statistics 1972, published by Lee Donaldson Associates, 21-23, Bury Street, London, S.W.1, price 25p.

U.K. shipping groups join £20m. drilling venture

BY OUR OWN CORRESPONDENT

SOUTH SHIELDS, Sept. 4.

TWO U.K. shipping companies—Sir William Reardon Smith and Sons, Cardiff, and W. A. Souter, Newcastle—have acquired large stakes in a new £20m. international venture into undersea oil drilling.

They have joined a number of Norwegian shipping companies in a consortium to undertake undersea oil prospecting on a world basis.

The consortium—to be known as the Atlantic Drilling Company—has ordered two big semi-submersible self-propelled drilling rigs for delivery in 1975. One will be built by Akers Mek. Verksted, of Oslo, and the other by Rauma-Repola, of Rauma, Finland.

With an overall length of about 354 feet and a width of nearly 230 feet, the rigs will be able to drill to a depth of 25,000 feet.

Reardon Smith has a 32 per and W. A. Souter, 25 per cent. The Cardiff company will manage the rigs.

It is expected that the rigs will be used initially in the North Sea or in the Irish Sea.
cent. share in Atlantic Drilling

GUNMAKER TO INVEST £4M.

British Manufacture and Research Company at Grantham, Lincs., is investing £4m. in plant and machinery over the next three years creating jobs for nearly 300 people. In addition it is buying 60 acres of land at Saldingworth, near Lincoln, which it will develop to provide another 70 jobs.

The company, which manufactures guns and military equipment, says it has a full order book until 1975.

Concrete oil rigs plan to be studied

By Chris Baur

EDINBURGH, September 4.

THE SECRETARY of State for Scotland has called in for examination the application by John Mowlem, the civil engineering company, for permission to establish a construction yard for concrete off-shore production platforms near Ullapool.

This is the company's second application to be studied by the Scottish Office. The first, which will be the subject o fa public inquiry, probably in October, was for a site at Drumbuie, Loch Carron, in Ross and Cromarty. The Scottish Office has commissioned Sphere Environmental Consultants to carry out an environmental impact analysis of both projects.

The consultants' report on the Drumbuie site is now in the hands of planning officials. Its study of the Ullapool site (on which nearly 2,000 objections have been lodged) should be complete in November.

BUILDERS WARNED ON TERRORISTS

To prevent terrorists from gaining extra supplies of explosives, the National Federation of Building Trades Employers is advising its member firms using this type of material to step up security precautions.

"Members should pay special attention at this time to ensuring that regulations are strictly complied with and to take appropriate precautions against theft of explosives, a federation statement says.

Wales 'must attract companies from overseas'

WALES MUST attract new companies from other countries, as the employment situation is critical, the Development Corporation of Wales said yesterday.

The corporation's magazine Progress Wales, states that a more vigorous campaign is vital if Wales is to secure full benefit from Britain's high level of industrial activity.

Campaigns by the corporation had produced significant benefits in the face of severe international competition, but the need for new employment, especially for men, was still critical.

"Some 20,000 jobs have to be found during the next few years to replace those which will be lost in the steel and coal industries," the magazine states.

There would also be a need to bring the average unemployment percentage for Wales down to that for Britain.

Steady growth

In the first half of 1973, there was steady economic growth and industrial expansion in Wales, it adds.

Government policies, designed to achieve a 5 per cent. annual growth rate, had resulted in a substantial rise in production and a welcome decrease in unemployment.

Labour shortages in the Midlands and the South East had also attracted a lot of companies to Wales.

"It is very gratifying to find that the attractions as a base for European operations are being seriously considered internationally, especially in Continental countries, the U.S. and Japan.

"Many visits have been made to Wales recently by leading industrialists from these countries."

'Who's Who' of offshore oil for conference

Mr. Christopher Chataway, Minister for Industrial Development, is to open the London Chamber of Commerce and Industry's conference on offshore oil, being held on October 3-4 at Grosvenor House. The conference is designed to demonstrate to British industry the opportunities for selling equipment and supplies to the growing offshore industry.

The conference, which has the support of the Department of Trade and Industry's Offshore Supplies Office, will be the first occasion on which a complete "who's who" of Britain's own offshore industry will have been compiled..

The two-day conference will be split in two sessions, the first day concentrating on outlining the opportunities and the second on specialised study groups and individual business appointments. The chairman will be Sir Maurice Laing, chairman of John Laing Construction.

Stansted growth inevitable if Maplin is abandoned

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE DEVELOPMENT of Stansted as a major airport for London would "almost inevitably" occur if the proposed airport at Maplin were to be abandoned for any reason.

This was made clear yesterday by Mr. Nigel Foulkes, chairman of the British Airports Authority. when he presented the Authority's annual report for 1972-73.

He said the Authority's own forecasts indicated traffic growth to around 120m. passengers a year in London and the South-East by 1990, with some 700,000 aircraft movements a year.

The present plans envisaged Maplin taking eventually up to 125m. passengers a year, with a four-runway lay-out. although initially it would open with one runway.

"If the Maplin project were abandoned, we should have to face a completely different problem—how to expand Heathrow, Gatwick and Stansted to meet the air transport growth which seems likely to engulf the South-East in the 1980s. Airport planning has a 10-15 year 'horizon' and we should have to change our plans immediately."

At Heathrow. passengers could double from the present 20m. a year to 40m. in the mid-80s and to 50m. by the end of that decade. At Gatwick, passengers could increase five times from to-day's 5m. to around 25m. a year in the mid 1980s, and perhaps 35m. a year by 1990.

"Instead of closing when Maplin opened. Stansted would have to be developed to absorb a share of the 1980s' growth. When Heathrow and Gatwick reached the limits of their land and runway capacity. Stansted would have to take all subsequent growth.

"Passengers could probably increase from to-day's 300,000 to about 8m. a year in the mid-80s and perhaps 15m. by the end of the decade. Air transport movements could grow seven-fold from to-day's 5,000 a year to about 35.000 by the mid-80s and thence possibly to 160,000 a year if Heathrow and Gatwick had reached their runway limits in the late 80s.

"About 1.500 acres of extra land would be needed, and probably a further 1,000 if Stansted were to become a major two-runway airport for the 1990s."

If Maplin did go ahead, however, Mr. Foulkes hinted that there might even be the possibility of reducing the burdens on Heathrow and Gatwick in the 1980s and beyond.

Balanced view

He wanted the other side of the problem debated — what would happen if Maplin were not developed—so that a balanced view could be taken, in advance of the final Parliamentary decision, expected early next year.

The annual report shows that in 1972-73 the Authority earned a pre-tax profit of £11.5m., or 46.3 per cent. more than in the previous year. Trading profit was £14.24m., up to 29.6 per cent.

The Authority's five airports (Heathrow, Gatwick, Stansted, Prestwick and Edinburgh) handled 11 per cent. more passengers at 26.4m.; 0.2 per cent. more aircraft movements at 527,000; and 21.6 per cent. more cargo and mail at 546,000 metric tons.

The most significant trend was the much greater number of passengers than aircraft movements, reflecting the increased use of bigger, wide-bodied aircraft, such as the Jumbo jets.

The Authority has financial problems ahead, however, in that heavy investment will be required for further development at its airports, including Maplin, at a time when operating costs and interest payments will be rising, and when there will be less income from duty-free sales as a result of membership of the Common Market.

Chris Baur writes: The Authority's deputy chairman, Mr. Robin MacLellan, said in Glasgow that he hoped arrangements would be complete for the takeover of Glasgow (Abbotsinch) Airport from Glasgow Corporation and Aberdeen (Dyce) from the Civil Aviation Authority by April next year.

This would give the Authority control of all major Scottish airports—it already runs Edinburgh (Turnhouse) and Prestwick. Mr. MacLellan said the development of Scottish aviation would benefit from a unified marketing strategy.

He added that too many Scottish tourists were still flying to London first. It was estimated that about 1m. people a year travelled through London to and from Scotland, and this was creating undue pressure on London's airports.

He said that the Authority's £9m. reconstruction of Edinburgh Airport was on schedule with the £2m. contract for the runway extension expected to be let within about three weeks.

Luton Airport 'a congested slum'

By Arthur Sandles

ANOTHE BRITISH tour operator, Cosmos Tours, has severely criticised conditions for travellers at Luton Airport, the prime departure point for the U.K.'s 3.5m. package tourists. Mr. Wilf Jones, managing director of Cosmos, called Luton a "congested slum."

Mr. Jones was arguing for expansion of Luton's facilities and campaigning against delays while Maplin is developed.

Luton is the main airport for the package tour services of Thomson, Clarksons and Cosmos, three of the country's four biggest tour operators. It is generally acknowledged that passenger facilities are extremely poor. The terminal is too small, the catering services are inadequate, parking is insufficient and, at peak times or when aircraft are delayed there is not even space for people to walk about.

Mr. Jones, who adds his voice to that of Mr. Francis Higgins, of Thomson Holidays, recently, complained bitterly of Government restrictions on plans to extend the facilities at Luton.

Luton Airport is owned by the local authority. It produces about £1.5m. a year in revenue for the council and is well able to finance improved terminal facilities.

Mr. Jones was speaking in London at the launch of the Cosmos tour programme for the summer of 1974. The programme, with the accent heavily on strong price competition with the company's rivals, includes an offer of 15 days in Majorca from £32, eight days in Bulgaria from £45, and Apartotal holidays at Benidorm for £28.

Plastics producers attack price policy

BY MICHAEL SIMMONS

REPRESENTATIVES of Britain's plastics materials producers and processors have told the Government that its current price policies are crippling the industry and that U.K. producers have reached a situation where they can no longer compete for increasingly costly raw materials.

These points have emerged from top-level talks held recently between the British Plastics Federation, which claims to speak for an industry with a turnover of some £1.500m. a year, and officials of the Department of Trade and Industry.

A Federation statement, published last night, said its delegation had emphasised that the British industry could not remain competitive in the world market while U.K. prices were kept at their present level.

The statement indicated that because the industry could not compete for raw materials. It was also not able to initiate new investment.

It added: "Because of the time involved in constructing or commissioning new plants urgent action is needed unless the U.K. is to become increasingly dependent on imported polymers and to withdraw from export markets."

The DTI reaction to this diagnosis of the current situation, it is understood, was that it would very much be borne in mind.

Clearly it will have to be taken into account by the Government officials now considering the special pleading from a number of the bigger chemical companies which are still seeking permission from the Price Commission to raise the prices of certain of their products, often including plastics.

Many of the materials producers in recent years have seen what they regard as unsatisfactory returns on capital.

The Federation delegates to the DTI based their plea for higher prices partly on the fact that confidence, despite the difficulties, was returning to the industry with the increased buoyancy that was apparent in the economy.

Key economic statistics released yesterday

Banking statistics

(as table 9 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS AND RESERVE RATIOS

1—Banks

	August 15, 1973 £m.	Change on month £m.
Eligible liabilities		
London clearing banks	16,308	+765
Scottish clearing banks	1,534	+ 95
Northern Ireland banks	366	− 7
Other deposit banks	377	− 3
Accepting houses	1,069	−209
British overseas and Commonwealth banks	1,447	− 34
American banks	1,855	+ 3
Foreign banks and affiliates	543	− 26
Other overseas banks	310	+ 24
Other U.K. banks	3,642	+ 15
Total eligible liabilities	27,440	+621
Reserve assets		
London clearing banks	2,117	− 93
Scottish clearing banks	206	+ 15
Northern Ireland banks	51	− 4
Other deposit banks	52	+ 1
Accepting houses	160	− 19
British overseas and Commonwealth banks	208	− 7
American banks	250	+ 3
Foreign banks and affiliates	84	− 3
Other overseas banks	48	+ 4
Other U.K. banks	489	+ 2
Total reserve assets	3,664	−100
	%	%
Ratios		
London clearing banks	13.0	− 1.2
Scottish clearing banks	13.5	+ 0.2
Northern Ireland banks	14.0	− 0.6
Other deposit banks	13.8	+ 0.4
Accepting houses	15.0	+ 0.9
British overseas and Commonwealth banks	14.3	− 0.2
American banks	13.5	+ 0.2
Foreign banks and affiliates	15.5	+0.2
Other overseas banks	15.4	+ 0.1
Other U.K. banks	13.4	—
Combined ratio	13.4	− 0.6
	£m.	£m
Constitution of total reserve assets		
Balances with Bank of England (other than Special Deposits)	245	− 37
U.K. and Northern Ireland Treasury bills	230	+163
Company tax reserve certificates	19	—
Money at call	2,244	−278
British Government stocks, and stocks of nationalised industries guaranteed by H.M. Government, with one year or less to final maturity†	402	− 10
Local authority bills	76	+ 38
Commercial bills	444	+ 22
Other assets	2	− 1
Total reserve assets	3,664	−100
† Holdings with more than one year but less than 18 months to final maturity amounted to:	389	+182
	£m.	£m
2—Finance houses		
Eligible liabilities	345	+ 14
Reserve assets	37.5	+ 2.6
Ratio (%)	10.9	+ 0.4

Volume of retail sales (Seasonally adjusted)

Index numbers of sales per week (average 1966 prices) 1966=100

(Sales in 1966—£ Million)	All kinds of business (11,549)	Food Shops (5,018)	Non-Food Shops Total (6,531)	Clothing and Footwear shops (1,771)	Durable goods shops (1,2..)
1967	101.1	100.8	101.3	100	103
1968	103.1	101.4	104.4	104	109
1969	102.4	102.1	102.7	104	104
1970	103.6	101.8	104.9	103	107
1971	103.8	99.7	107.0	110	116
1972	110.0	101.3	116.8	115	135
1971 3rd Quarter	104.4	99.5	108.2	110	121
4th Quarter	105.9	100.0	110.4	111	122
1972 1st Quarter	106.3	99.4	111.5	111	125
2nd Quarter	108.5	100.5	114.7	114	133
3rd Quarter	111.8	102.1	119.2	118	139
4th Quarter	113.7	103.1	121.8	118	143
1973 1st Quarter	117.1	100.3	130.0	130	154
2nd Quarter	112.4	100.3	121.7	116	144
June	114.8	101.3	125.2	122	146
July	115.9	102.4	128.3	121	150
February-April	116.1	100.6	128.1	127	153
May-July	113.9	101.0	123.8	118	147
Percentage change	−1.9	0.4	−3.4	−8	−4

Hire purchase and other instalment credit business

£M. UNADJUSTED

	New credit extended	Increase in debt	Total debt outstanding finance houses and retailers: Increase
1970	1,735	84	84
1971	2,053	240	240
1972	2,497	424	424
1972 1st Quarter	575	87	47
2nd Quarter	612	108	108
3rd Quarter	640	123	113
4th Quarter	670	106	157
1973 1st Quarter	770	177	127
2nd Quarter	666	78	82
1973 July	235	34	28
1973 Feb.-April	729	146	128
May-July	681	77	77
Percentage change	−7		

Terms of trade

Import and Export Unit Value and Volume Index Numbers Balance of Payments Basis 1961=100

	Unit Value Index Numbers (unadjusted): Imports	Exports	Terms of Trade†	Volume Index Numbers (Seasonally adjusted): Imports
1972 July	142	158	111	158
August	(145)	(162)	(112)	(143)
September	(146)	(160)	(110)	(206)
October	147	161	110	202
November	152	161	106	198
December	157	163	104	187
1973 January	160	165	103	192
February	165	166	101	191
March	169	168	99	205
April	173	171	99	184
May	179	173	98	204
June	182	174	95	198
July	187	176	94	198

† Export Unit Value Index as a percentage of the Import Value Index.

N. Ireland hopes for Japanese investment

By Rhys David

BELFAST, Sept. 4.

THE NORTHERN Ireland Ministry of Commerce will follow up the visit by a team of Japanese industrialists to the province in May with a series of exchanges.

Some of the province's hopes for future investment are being pinned on pressures being put on Japanese industry to set up plants abroad. Northern Ireland has just appointed as its industrial development representative Mr. T. Teshima, a Japanese national and former vice-president of Sanyo Trading, who is now in management consultancy.

Representatives of the province will be included in a U.K. team which will take part in a three-day workshop organised by the Government-sponsored Japan Industrial Location Centre. After the seminar a separate hearing will be given to Northern Ireland's case.

China Clay employers appeal to Government over pay rise ban

BY JOHN WYLES, LABOUR STAFF

CHINA CLAY employers have appealed to the Government to overrule a Pay Board order prohibiting payments above the £1 plus 4 per cent. limit for 9,000 China clay workers.

Mr. Ron Nethercott, South West Regional Officer of the Transport and General Workers' Union, said yesterday that the employers had given an assurance that they would ignore the order, issued last Friday, and pay the forbidden increases, if the Government turned down their appeal.

This could leave the employers open to the first prosecution under the Counter-Inflation Act, if the Attorney-General decided to take court proceedings. Penalties under the Act range from £400 on summary conviction to an unspecified amount on conviction on indictment.

A spokesman for English China Clays, which owns nine of the 14 companies covered by the Order, was unable to confirm yesterday whether the increases would continue to be paid. "But we have assured the unions that we will continue to press for the right to pay the increases," he said.

The employers made their appeal against the Pay Board order at a meeting on Monday with Mr. Robin ChichesterClark, Minister for Empolyment. They are expected to follow up with a written submission of their case for allowing payment of the increases of around £2.50 to £3 a week.

The unions have reacted angrily to the Pay Board ruling, and Mr. Nethercott was sent from the TUC Congress in Blackpool by Mr. Jack Jones, his general secretary, to meet shop stewards and officials in Cornwall. The headquarters of English Clays.

After talks with local yesterday, Mr. Nethercott they fully supported employers' approach Minister. "They have they are determined to through to the end and money will continue to be he said.

The China clay em began paying the incre July 30, despite advice fr Pay Board that they wer ing the Phase Two rule workers to one increase months, because they £1 plus 4 per cent. from April.

The employers said wanted to make the pa because of the im improved profits situatio the fact that workers we ing for better-paid jobs construction industry.

Steel switch angers Tyne oil equipment strikers

WILLIAM PRESS Production Systems at Howdon Yard, Wellsend-on-Tyne, denied yesterday that it had cancelled two contracts worth more than £1m. to supply oil production platform equipment for the North Sea because of the "wet weather time" dispute which has halted work at the yard for nearly three weeks.

A statement from the company said that the present unofficial dispute—the men want full bonus rate payment regardless of the weather—had nothing to do with the decision to withdraw from the contracts which were to supply steelwork and other equipment for the BP Forties Field in the North Sea.

To have cancelled the contracts solely because of the present dispute would not have helped in any way towards eventually getting it settled, the statement added. The decision to pull out of the Forties contracts had been taken because of production problems which had held up present contracts and prevented a start on further new work. It had also been influenced by penalty clauses attached to the work.

About 1,000 tons of steel which was to have been used in the BP contracts was removed from the Howdon yard during Saturday night by a convoy of lorries and is now believed to be on Teesside. This has brought an angry reaction from local union leaders who had been negotiating with the management to settle the "wet weather time" issue.

Walk-out

Mr. Ken Cairns, district delegate of the Boilermakers' Amalgamation, warned yesterday—before the company made its denial statement — that any attempt to start the work elsewhere would be "blacked."

"We think this steel has gone to Teesside but we are making inquiries in all our areas to find out exactly where it is," he said. "As soon as we know its location, we will ask our members there to refuse to work it."

The 250 men employed Howdon yard, mainly makers, but also including plumbers and electr walked out on August protest against a "wet w time" payment introduc the management when weather stopped normal p tion. The workers comp that it was not enough.

Negotiations since have to make progress and Mr. to-day described them as a plete waste of time." He "Until the company make offer in line with existing tices in engineering our will stay out. When the came to the Tyne last ye agreed to operate under neering conditions but seems not to want to do this.

The company has other tracts in hand for Shell, ing equipment for the Bank gas field and the field.

The next meeting of the workers has been fixed Monday.

Mersey Docks not to sell offices

BY RAY DAFTER

MERSEY DOCKS and Harbour Company has decided not to sell its waterfront offices which were put on the market at more than £2m.

The company is to retain the Port of Liverpool Building as its staff headquarters in the "best financial interests." Th edecision follows a study of all the costs involved in selling the building and rehousing the staff of 700.

A special working party is to be appointed to investigate how the six floors, including the basement, can best be used. This could result in some alterations, at modest cost, further tostreamline staff accommodation and free more office space for letting.

Tenants already leasing space in the building include H.M. Customs with its new VAT tribunal suite, the Chief Inspector of Taxes and the Liverpool Port Employers' Association.

It was announced yesterday that Mr. James B. Fitzpatrick aged 43, has been appointed deputy managing director of the docks and harbour company.

He had been assistant managing director since November year and wil lcontinue to be the cargo handling activities operations director.

Mr. Fitzpatrick, aged 43, joined the company in 1951 in the department. He was appointed an executive director in August

Flying businessmen want their own London airport

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

(E NEED for a separate airport the London area totally voted to the growing requirements of business aviation was phasised yesterday by senior lustrialists at the Business rcraft Users' Association conence at Cranfield Institute of chnology.

Both Mr. Angus Mackenzie-arrington, a director of Bass-arrington, and Sir Philip penheimer, managing director the Central Selling Organisan of De Beers, told the meet; that the U.K. was now lagg behind the rest of Europe the provision of proper neral and business aviation ilities in the London area.

fore flights

Mr. Mackenzie-Charrington d that the U.K. business airft fleet had now reached arly 100 aircraft, including 34 s, and valued at around m.

The growth of business aviation was also illustrated yesterday by British Aviation Authority figures which showed that general aviation accounted for over 56,000 aircraft movements at the Authority's five main airports (Heathrow, Gatwick, Stansted, Prestwick and Edinburgh) last year, out of a total of 526,816 aircraft movements.

Mr. Mackenzie-Charrington said that the total turnover of the industrial members of the Business Aircraft Users' Association alone was over £16,000m. a year, while his own company's turnover matched that of BOAC and BEA combined.

"Business aircraft, carrying the commercial brains of this country and bringing in the overseas customers who make our economy thrive and expand, must not be crushed under the trumpeting Jumbos filled with tourists.

"Business aircraft claim a proper place in the 'third dimension.' The two essentials to their continued effective use in this country are an 'interlining' facility as of right at all the terminals of the British Airports Authority and a business aircraft terminal close to London.

"Freedom of the air serves no purpose unless there are ground facilities to handle the aircraft, the passengers and the crews."

Agreeing with these comments, Sir Philip Oppenheimer said that the trend is now for the major airports to set aside a special area for business aircraft and these have their own terminals and facilities. Good examples of such terminals were Le Bourget, Milan, Brussels, Dusseldorf and Geneva.

"Coming near home, I regret to say that we do not provide equivalent facilities in the London area. There is, admittedly, a fine General Aviation Terminal at Gatwick, but it has no servicing facility.

"At Heathrow, there are full servicing facilities on the south side of the airport but, absurdly enough, all international departures or arrivals have to be made from the Central Area.

"As the situation at Heathrow is likely to become even more congested, the answer would seem to be the establishment of an airfield near London for the sole use of business aircraft. The requirement is pressing."

Call for combined operation to freeze prices of basic groceries

BY ANTONY THORNCROFT

A SUGGESTION that the ten biggest grocery retail organisations, which account for 70 per cent. of the business, should combine together to freeze the prices of leading grocery products was made yesterday by Mr. Mike Reynolds, managing director of Spar-Vivo.

Mr. Reynolds's idea is that the prices of a certain number of major items, such as tea, butter, flour, baked beans and toilet tissues should be fixed for a few months. If raw material prices rose during this period the retailers would absorb the extra expense, perhaps helping to balance their profit margins by increasing the prices of less important grocery items.

Mr. Reynolds sees the idea as very much a retailers' initiative. He feels that the retail trade has scarcely suffered during Phase Two but may find things difficult under Phase Three. Hence the initiative.

In each product category the retailers would agree to freeze the price of at least one of the leading brands. For example, in tea they would ensure that either PG Tips, Typhoo or Quick Brew would be on sale in their shops at a maximum price of 8p during the lifetime of the scheme. Heinz, HP, or Crosse and Blackwell baked beans could be bought for a maximum price of 7p.

Since the retailers to-day control the level of prices in the shops, the manufacturers co-operation in such a scheme is not essential, and obviously they would be reluctant to be seen to oppose an idea that stabilises prices.

The total shopping basket given as an example by Mr. Reynolds amounts to £2.75½p and covers most of the basics bought regularly by housewives.

Mr. Reynolds set out his ideas at a Press conference to launch a £500,000 promotion starting on Monday which involves free Disney pictures for any shopper spending more than 75p at any of Spar-Vivo's 2,400 shops.

City office shortage eases

BY PETER RIDDELL, PROPERTY CORRESPONDENT

THE AMOUNT of office space available in the City of London increased by about 30 per cent. during August but is still less than a third of the total at the end of last year.

According to figures produced by Richard Saunders and Partners, the City agents, 987,000 sq. ft. of space was available in the City at the beginning of September, compared with 755,000 sq. ft. a month before and 748,000 sq. ft. at the beginning of July. The comparable figure last December was 3m. sq. ft.

The latest figures must be treated with some caution since the market is traditionally very quiet in August. It is therefore difficult to tell whether the apparent slight slow down in demand for offices and banking space, is merely due to seasonal influences or marks a change in the trend so far this year.

Since the available space at present is well under the totals before June this year, this will further support the property industry's view that there is a serious shortage of supply in the City which is mainly responsible for the large rent increases reported in certain buildings recently. The current total of available space is equivalent to well under 2 per cent. of the stock of offices in the City.

The figures refer only to accommodation available on the open market and do not include properties not offered on the market or in course of construction or modernisation. They also include space available on short leases prior to redevelopment as well as certain mixed use buildings. This is because the figures include all the EC postal districts, W.C.1 and W.C.2, S.E.1 and E.1, which is a much larger area than the main City office district.

Walker forecasts upturn in capital investment

BY PETER CARTWRIGHT

CAPITAL INVESTMENT second-quarter figures issued yesterday, which were down on January-March, would be transformed in future quarters by "a very big upturn" resulting from decisions recently taken by manufacturers, Mr. Peter Walker, Secretary for Trade and Industry, said.

The statistics should be linked with surveys recently made by the Financial Times and the Confederation of British Industry, said Mr. Walker. An "impressive" number of companies were now making decisions for investment. The second-quarter figures really reflected decisions taken six to 12 months ago.

"We know from the surveys our Department has done over the past three months that there has been a whole mass of decisions taken to invest. Therefore for the remainder of this year and 1974 there will be a very big upturn."

Mr. Walker remained confident that new investment would be adequate to support a 5 per cent. growth of the economy, "and we hope to go ahead of that."

Another factor in the equation was more effective use of existing investment. "There is considerable scope for this. Likewise, there are considerable possibilities for enlarging the labour force from among women."

Mr. Walker was at Norton Aluminium Products, Norton Canes, Staffs., to commission £100,000 anti-pollution equipment for the 300-ton-a-week plant.

Saleroom

A SALE of furniture at Phillips yesterday realised £40,301. An antique carpet from Persia went to John for £3,000 and a mahogany semi-circular commode in George III style was bought by Keyser for £2,400.

Brett paid £2,000 for a George III mahogany break-front bookcase. An 18-inch bronze figure of a nude went to Alex for £1,550.

INTERIM STATEMENT

peacock

NURDIN & PEACOCK LIMITED

THE *Cash and Carry* WHOLESALERS

Turnover and Trading Profit for Half Year ended 30th June, 1973.

	30th June, 1973 £	1st July, 1972 £	52 weeks ended 30th Dec., 1972 £
Turnover	34,395,244	30,770,987	67,370,000
Trading Profit before Tax	339,025	282,437	1,203,000
Taxation at 40%	135,610	112,975	509,000
	203,415	169,462	694,000

The figures shown for the two half years are unaudited.

The Directors are restricted by the Counter Inflation Act 1973 to paying an Interim Dividend on the Ordinary Share Capital of 0.695p per share, which with an imputed tax credit 0.298p per share makes the equivalent of a gross Interim Dividend of 0.993p per share (1972—0.95p per share). This Interim Dividend will be payable on the 12th October, 1973, to members registered at close of business on 12th September, 1973.

The sales as shown are not comparable as the figures 1972 and the first three months of 1973 were inclusive of Purchase Tax, whereas sales since 1st April, 1973, are exclusive of V.A.T. In the opinion of your Board if adjustments are made to eliminate the estimated amount of Purchase Tax our sales increase for the first six months was almost 16%, whilst profits have increased by 20%.

Once again we remind our shareholders that the business of the Company is seasonal, sales and profits for the second half of the year being normally well in excess of the first half. In the first half of this year, as reported in our annual statement, we opened our new 80,000 sq. ft. Branch in Northampton, sales are well up to our expectations and steadily expanding. Work on the construction of our new Branch of ...000 sq. ft. at Peterborough is proceeding on target and the Branch should therefore become operational in November this year, as indicated. While the difficulties of obtaining suitable sites were mentioned in our annual report, your Company is fully conscious of the needs for further expansion, to cope with the increasing demand which we are happy to say we are experiencing from our existing and potential customers.

Sales in the second half to date, on an adjusted basis as mentioned above, show an increase in excess of 18% over the same period last year. In the opinion of your Board sales and profits for the 1973 full year should again show a substantial increase, subject to Government restrictions in Phase II and on the assumption that Phase III will not be more restrictive to your Company's activities.

J. A. PEACOCK,
Chairman.

By Noel Howell, Labour Reporter **Blackpool, September 4**

Go-ahead for industrial protests over £10 pension

THE TRADES Union Congress to-day authorised a stepping up of its campaign for higher pensions by giving the go-ahead to the General Council to lead "industrial protest action."

Delegates unanimously endorsed a Transport and General Workers' Union resolution authorising TUC-led action in support of the demand for a £10 a week pension for a single person and £16 for a pensioner couple.

The major note of caution during the important pensions debate came from the Union of Post Office Workers which gave a warning that if its members—who pay out pensions at post offices—were called out on strike the pensioners themselves could suffer.

The UPW, however, withdrew an amendment which would have dropped the call for TUC-led action after being given an assurance that the General Council would consider the "nature and extent" of action when the need arose.

The UPW made provisions for the paying out of pensions during its marathon strike in 1971 and exceptions might again be made under a TUC-led campaign.

"We are not silly people. We are asking for leadership from the general council, a responsible body," said Mr. Jack Jones, TGWU general secretary.

On the platform, Mr. Hugh Scanlon, engineering workers' leader (left) and Mr. Joe Crawford, TUC president.

Pictures by Terry Kirk.

'No delay'

Mr. Jones has been at the forefront of the campaign within the TUC in recent years for improved pensions and to-day moved the militant pensions resolution.

"This is a plea for tough action on behalf of the submerged sixth of the population—the old-age pensioner," he said. "We can delay no longer."

"Action and a firmer, stronger approach is needed because for the majority of pensioners to be old in Britain is to be poor."

The £10 and £16 a week pensions demand is only the first step in the TUC's pension claim. The ultimate goal of the motion accepted to-day is to link the level of pensions to average earnings and to increases in retail prices through annual and quarterly reviews.

The TUC is also to approach the Government and ask them to issue a leaflet to all old-age pensioners telling them of the range of benefits available to them.

"If we are seriously on the side of the pensioner and our efforts at persuasion fail then we must show our determination and the solidarity working people feel for the pensioner by using the strongest weapon we have available — industrial protest *action," Mr. Jones said.*

Mr. Jones said they expected their immediate demands—the £10 and £16 pension levels—to be met by the Govrenment not later than next spring. "The proposals are modest—the nation can afford to meet them."

Protests

Mr. Peter Prendergast, of the National Union of Hosiery and Knitwear Workers said his union was opening all its district offices to old age pensioners so that officials could help and advise them on their entitlements.

Mr. Norman Stagg, assistant general secretary of the Union of Post Office Workers, moved the amendment to delete the call for the TUC to lead industrial action.

Mr. Stagg said: "In the wave of righteous indignation that resolutions of this kind are bound to provoke, we hope Congress will not be projected into a situation which will cause it to inflict further hardship on those it is our duty to help."

There were protests in the hall as Mr. Stagg said some strikes would cause suffering to old age pensioners.

The way to secure better pensions was to gather the TUC's industrial strength to secure a return at the earliest possible moment of a Labour Government.

For the General Council, Mr. Walter Anderson said they must not give any impression that Congress was half hearted in its support for pensioners. The motion called for leadership, and the council would consider the nature and the extent of industrial protest action which might be required in the circumstances.

The council certainly accepted that responsibility. He urged Congress to reject the amendment and support the motion.

Mr. Stagg then said in view of the assurances given by Mr. Anderson he would withdraw the amendment. The motion was then carried unanimously on a show of hands.

Congress then unanimously passed a motion urging the adoption — by an incoming Labour Government—(of a comprehensive pensions programme). This should include an overall scale of pension sufficient to ensure that retirement meant increase enjoyment of leisure for all people.

It declared that pensions must be regarded as a form of deferred income and therefore a right and not State charity.

The motion called for a more flexible retirement age and declared that there should be educational training and *recreational activities to enable* people to adjust smoothly to the new life style.

Moving the motion, Mr. Dennis Howell, MP, representing the Association of Professional, Executive Clerical and Computer Staff, said there should be an immediate reduction in the retirement age to 63. He called for increased building of homes for old aged people who wished *to move into smaller accommodation.*

There should be instructions to local authorities for the provision of free transport for the elderly.

Labour chairman calls for unity

MR. BILL SIMPSON, Labour Party chairman, warned his Parliamentary Party of the consequences of ignoring Labour conference decisions.

"The decisions made in Blackpool this week and in four weeks' time (when the Labour Party conference is held) will chart the course of our movement for many years ahead," Mr. Simpson told Congress.

"The reactions of the Parliamentary Labour Party to the decisions of the Labour Party conference are particularly important.

"For a Parliamentary Labour Party, attitudes ignoring important conference decisions could injure not only our chances of success at the polls, but also disrupt the unity of the movement — so carefully built up during the last few years.

"Our task in the coming *months is to see that such a* conflict does not take place and that in the run-up to the election, we face the people as a united party with relevant socialist policies to solve the economic and social problems of our country."

Mr. Simpson, General Secretary of the foundry section of the Amalgamated Union of Engineering *workers, added: "An essen*tial ingredient for a more prosperous Britain is effective public control over the sectors of industry which hold the key to economic growth.

Mr. Simpson brought fraternal greetings to the Congress from the Labour Party.

U.K. 'bottom of holiday league table'

THE TUC called on the Government to increase the number of statutory public holidays, bring*ing Britain into line with other* EEC countries.

It declared that New Year's Day (Boxing Day in Scotland) and May Day should be bank holidays from next year.

Mr. Jack Morrish, general secretary of the Customs and Excise Group, declared: "The demand for more leisure is part and parcel of our fight for decent living standards."

He suggested the TUC should see what was happening on the Continent. In the public holidays league the U.K., with six days a year, was at the bottom. Italy with 17 was in the lead.

He said his union would be willing to substitute Mr. Vic Feather's birthday for The Queen's as a public holiday.

Tough line on women's rights

THE TUC made it clear that it will not shrink from industrial action in the battle to win equal status for women at work.

With almost no opposition, union delegates accepted a motion calling for more determined action to achieve equal opportunities.

Moved by the Tobacco Workers, it urged that more effective legislation was necessary against discrimination in employment on the grounds of sex, together with determined action, "including industrial action" to achieve the principles and the aims of the TUC's own industrial charter for women, as declared in 1963.

Prejudices

The term "including industrial action" was put forward in an amendment by the Technical and Supervisory section of the Amalgamated Union of Engineering Workers.

Moving the motion Mr. D. Grieve said trade unionists had to examine their own prejudices, and how much they were responsible for the present situation by failing to raise their voices loudly enough in negotiations.

"Of course we will take to the barricades, but let us be sure we have the membership with us and the feeling that we are doing this because it is right."

Fears

They must allay the fears and suspicions of some men that there would be a surge of women for their jobs. When equal pay was effectively established in 1976, employers would no longer have a pool of cheap labour.

Mr. John Dore, for the Association of Scientific, Technical and Managerial Staffs, seconding, said even if equal pay rectified pay injustices, women would still have little chance of competing on equal terms for the jobs that were really worth having.

Unions to be strengthened in regions

MEASURES were adopted to strengthen TUC organisation in the regions. The measures will include the setting up of a Wales Trades Union Council, heading off unofficial moves to establish a Welsh TUC.

Delegates endorsed the General Council's report recom*mending the replacement of the* TUC's existing regional advisory committees—which were set up during the last war—with regional trades union councils.

There are to be eight trades union councils in England. They will be based on the Government's eight planning regions, one of them in Wales.

All unions with membership in a region will have representa*tion on the regional councils.* Trades councils, the representative bodies of the TUC in individual towns, will have up to 25 per cent. membership of the new regional councils.

There were moves at the Congress to-day to refer back the regional reorganisation report. Opposition was based largely on the grounds that the new structure will not give sufficient *importance to the trades coun*cils who have assumed a greater role in recent years as a result of the TUC's campaigns against various Government policies.

Defeated

The reference back move—supported by the Association of Scientific, Technical and Managerial Staffs and the Amalgamated Union of Engineering Workers—was, however, heavily defeated.

"The proposals are designed to give the movement a greater impact in the regions and to bring more people into their activities," Mr. Vic Feather, retiring TUC general secretary, told delegates.

The general council want more full-time and voluntary union officials to be involved in the TUC's regional work and to end the separation which can occur between the trades councils structure and the TUC's regional organisation.

First of the new regional councils to be set up is expected to be the Wales Trades Union Council early next year.

Campaigns

Initially, the councils, which will hold regular meetings, will have part-time secretaries but the general council has agreed to review the possibility of appointing full-time secretaries next year.

The TUC has estimated that the cost of appointing full-time officials for the new regional organisations could cost £90,000 a year.

Twin functions of the new regional councils will be to coordinate trade union activity in the regions and act as a pressure group on the *reorganised local authorities and* the regional planning authorities.

The new councils may also help perform a public relations function for the trade union movement in the regions.

Trades councils will be encouraged — though not compelled—to merge and form larger bodies in the reorganised local authority structure and 54 county associations of trades councils *will be set up.*

"I want to pay tribute here to the magnificent way in which trades councils have responded to the many calls which have been made on them in recent years and particularly in the campaigns against the Industrial Relations Act, against unemployment and in support of the pensioners," Mr. Feather said.

Mr. Les Dixon, executive *member of the engineering* section of the AUEW, was one of several delegates to criticise the 25 per cent. limit on trades council representation on the new regional councils. The general council will have power to raise this ceiling, however.

Trades councils, Mr. Dixon said, "play a tremendous part in the development of grass roots activity of the trade union movement.

"If the new regional councils are not to become debating forums for full-time officials they need the balance of trades council and union representation that will make them responsive to demands for action from below as well as initiating it."

Appeal

Mr. Dixon appealed to Congress to defer its decision on the reorganisation to allow more discussion on the proposal. Mr. Dai Francis, secretary of the South Wales Miners, told delegates that pressure behind the unofficial moves last year and earlier this year to set up a Welsh TUC had come from the grass roots membership in Wales.

Welsh unions will now work to make the new TUC regional council for Wales a success, however. "We have no intention of going outside the British TUC," Mr. Francis said.

There is already an autonomous Scottish TUC which has been in existence for many years.

After the expulsions

BY ROY ROGERS, LABOUR CORRESPONDENT

A FORECAST that few of the 20 unions expelled from the TUC this week will survive without the TUC's membership protection agreements has been made by Mr. Clive Jenkins, General Secretary of the Association of Scientific Technical and Managerial Staffs.

As reported in yesterday's Financial Times Mr. Jenkins is poised to announce a major breakthrough into the banking industry where leaders of the Midland Bank Staff Association are recommending a merger with the ASTMS.

Yesterday Mr. Leif Mills, General Secretary of the National Union of Bank Employees, which was among the 20 unions expelled from the TUC for re*maining registered under the* Industrial Relations Act, accused Midland staff association leaders of a "secret sell-out" to the ASTMS.

However, Mr. Mills declared himself pleased with the initial reaction of Midland Bank staff and said the NUBE expected a boost in membership from staff association members who will not wish to join a "politically oriented body."

'Civil rights' call for public employees

A COMPOSITE resolution on civil rights, calling on the Government to allow local authority and public service employees to stand for election to their employing authority, was carried unanimously.

The resolution claimed there was a "severe restriction" on the political freedom of civil servants.

Mr. Roy Holden (Manchester), on behalf of the National Association of Schoolmasters, said the election of public service employees would lead to greater efficiency, more insight, and mutual confidence.

"We are not aliens, lunatics, felons or even peers of the realm, but we are unable to serve the communities in which we work," Mr. Holden said.

Mr. Alan Fisher, general secretary of the National Union of Public Employees, said the law prevented some of the best and most active trade unionists from playing their full part in the Labour movement.

"It is thoroughly bad law which sets double standards. It is based on an assumption that council workers can't be trusted to behave in the same way as other people who are elected to local councils."

Mr. Alan Bassett (Billingham), of the National Union of *Teachers, said the man who drove* the mayor's car was excluded from serving on the committee which sites the public convenience, "while the housing committee can be packed with all the local building contractors, and the general purposes committee can be composed of second hand car salesmen."

Mr. Geoffrey Drain, general secretary of the National and Local Government Officers Association.

Kodak fight 'could be long and bitter'

A WARNING that the fight for the recognition of outside trade unions at Kodak could be "a long and bitter one" was given to-day by Mr. Alan Sapper, general secretary of the Association of Cinematograph, Television and Allied Technicians.

Kodak was accused by Mr. Sapper of resisting the recognition of outside trade unions for nearly 30 years.

He thanked the General Council for its moves to try and negotiate recognition for its affiliated unions at Kodak.

Talks are deadlocked with the TUC insisting that Kodak negotiates directly with the outside unions and the company insisting that the TUC continues to act as union co-ordinator in the talks.

"In this latest endeavour by the General Council they (Kodak) have treated the approaches with absolutely outrageous contempt."

ACTT has the biggest affiliated membership at Kodak and its members in the film processing division at Hemel Hempstead have been staging industrial action for nearly two months in support of the union's recognition claim.

Mr. A. Powell, of the Society of Graphical and Allied Trades, which is also seeking recognition at Kodak, said his union was not prepared to meet "in any situation" representatives of the registered Union of Kodak Workers—the recognised "house" union.

He called for general trade union support and said: "If we beat Kodak then we will beat other massive employers who want to start some form of staff association."

Buckton, Gormley on Council

THE ELECTION of Mr. Len Murray as the new TUC general secretary to succeed Mr. Vic Feather who retires this week, was confirmed at the Trades Union Congress to-day.

Mr. Murray, who has been assistant general secretary under Mr. Feather for the past four years, had been nominated by 29 unions and was elected unopposed.

Among the new faces on the TUC General Council as a result of to-day's elections will be Mr. Joe Gormley, the miners' president, and Mr. Ray Buckton, the train drivers' general secretary.

Altogether, five new General Council members were elected to-day to fill vacancies caused by retirement, but they indicate no dramatic shift in the political balance of the General Council.

The other newcomers are Mr. Geoffrey Drain, the new general secretary of the National and *Local Government Officers'* Association; Mr. Glyn Lloyd, executive member of the Union of Construction, Allied Trades and Technicians, and Mr. Jack Eccles, the Lancashire regional secretary of the General and Municipal Workers' Union.

There were no upsets for sitting general council members though leading pro-Common Market supporter Mr. Roy Grantham, the Clerical Workers' leader, had a slim majority—defeating the Left-backed Mr. John Morton, of the Musicians Union, by just over 600,000 votes.

In the women worker's section, Miss Audrey Prime of NALGO had a majority of just over 1m. in retaining her seat on the general council.

The general council election results in full are:

Mining and quarrying group (two to be elected): Mr. L. Daly (National Union of Mineworkers) 8,958,000; *Mr. J. Gormley (NUM)* 8,065,000; Mr. L. Wormald (National Association of Colliery Overmen, Deputies and Shotfirers) 1,223,000.

Railways group

Railways group (two to be elected): Mr. R. Buckton (Associated Society of Locomotive Engineers and Firemen) 6,013,000; Sir Sidney Greene (National Union of Railwaymen) 8,989,000; Mr. D. Mackenzie (Transport Salaried Staff Association) 3,416,000.

Transport group, excluding railways (four to be elected): Mr. F. J. Howell (Transport and General Workers Union) 8,008,000; Mr. J. L. Jones (TGWU) 8,739,000; Mr. J. Moore (United Road Transport Union) 1,300,000; Mr. J. Slater (Merchant Navy and Airline Officers) 9,134,000; Mr. H. Urwin (TGWU) 8,819,000.

In the shipbuilding group Mr. Danny McGarvey (Boilermakers Amalgamation) was re-elected unopposed.

In the engineering, founding and vehicle building section, Mr. J. Boyd, Mr. L. Edmondson and Mr. H. Scanlon of the Amalgamated Union of Engineering Workers and Mr. L. Buck (National Union of Sheet Metal Workers) were elected unopposed, to the four seats.

In the technical engineering and scientific group Mr. G. Doughty (Technical and Supervisory section of the AUEW) was elected unopposed.

In the electricity group Mr. F. Chapple (Electrical and Plumbing Trades Union) was returned unopposed.

Iron and Steel and Minor Metal Trades (one to be elected). Sir David Davies (Iron and Steel Trades Confederation) 8,723,000; Mr. H. Smith (National Union of Blastfurnacemen) 300,000.

Building, Woodworking and Furniture group (two to be elected); Mr. G. Lloyd (UCATT)

Printing and Paper group (one to be elected) Mr. R. Briginshaw (National Society of Operative Printers, Graphical and Media Personnel) 8,478,000; Mr. W. Keys (Society of Graphical and Allied Trades) 1,066,000.

Textile group (one to be elected): Mr. F. Dyson (National Union of Dyers, Bleachers and Textile Workers) 1,195,000; Mr. J. King (Textile and Allied Workers Union) 7,877,000.

Clothing, Leather and Boot and Shoe group (one to be elected): Mr. H. Comerford (Footwear, Leather and Allied Trades) 7,289,000; Mr. G. Smith (UCATT) 8,699,000; Mr. C. Stewart (Furniture, Timber and Allied Trades Union) 1,817,000.

94,000; Mr. J. Macgougan (Tailors and Garment Workers) 8,767,000; Mr. P. Pendergast (Hosiery and Knitwear Workers) 144,000.

Food, Drink and Distribution Group (two to be elected): Mr. A. Allen (Union of Shop, Distributive and Allied Workers) 9,263,000; Mr. C. Grieve (Tobacco Workers Union) 8,187,000; Mr. T. Parker (National League of the Blind) 938,000.

This election confirms Mr. Grieve's earlier co-option on to the general council.

In the Agriculture group Mr. R. Bottini (National Union of Agricultural and Allied Workers) was returned unopposed.

In the Public Employees group Mr. E. Britton (national Union of Teachers), Mr. G. Drain (NALGO), Mr. A. Fisher (National Union of Public Employees), and Mr. T. Parry (Fire Brigades Union) were returned unopposed for the four seats.

Civil Servants

Civil Servants group (two to be elected) Mr. T. Jackson (Union of Post Office Workers) 6,652,000; Mr. W. Kendall (Civil and Public Services Association) 3,065,000; Mr. C. Plant (Inland Revenue Staff Federation). 7,073,000.

Professional, Clerical and Entertainment group (two to be elected): Mr. R. Grantham (Association of Professional, Executive, Clerical and Computer Staffs) 4,933,000; Mr. R. L. Keenan (Theatrical, Television, Kine Employees) 391,000; Mr. J. Morton (Musicians Union) 4,326,000; Mr. A. Sapper (Association of Cinematograph, Television and Allied Technicians) 7,882,000.

General Workers group (three to be elected): Mr. D. Basnett, Mr. A. Donnet and Mr. J. Eccles (GMWU) were returned unopposed to the three seats.

Women Workers group (two to be elected); B. Dean (SOGAT) 544,000; C. Page (USDAW) 4,044,000; M. Patterson (TGWU) 7,688,000; A. Prime (NALGO) 5,310,000; E. D. Wilkinson (EPTU) 575,000.

People see need for strength: Benn

A YEAR'S bitter experience of Mr. Heath's counter-inflation programme has helped people to see the need for strong trade unions, Mr. Wedgwood Benn, *"shadow" Trade and Industry* Secretary, told a meeting at Bristol last night.

Mr. Benn said the Tories campaigned hard and long against the trade union movement before the 1970 Election. When elected, they introduced the Industrial Relations Act and blamed the unions for rising prices.

"Since last November wages have been rigidly controlled while prices have continued to rise," he said.

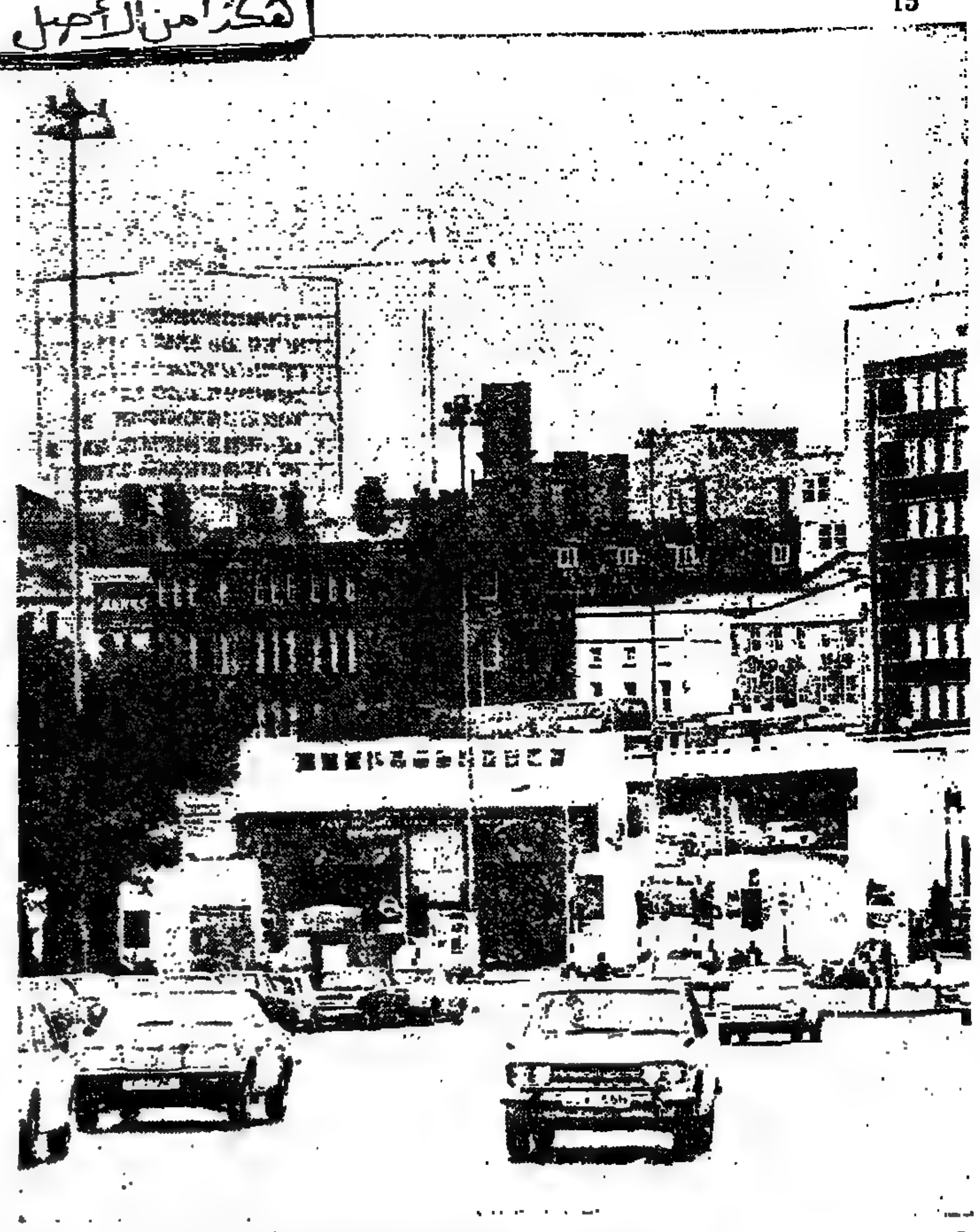
"The Price Commission has done little more than authorise these price increases allowing Ministers to escape from their responsibilities for protecting the community.

Mr. Benn said important debates were taking place at the TUC about attitudes trade unions should adopt towards Government policy. The unions were also insisting on an immediate increase in pensions for retired people.

"The first and immediate task for the Labour Party is to give full political support to the unions and this we shall have the opportunity of doing at the Labour Party Conference," he said.

Liverpool and Merseyside

Financial Times Survey



Morning commuter traffic arriving in Liverpool through the Mersey Tunnel

Under new management

By ROY HODSON, Regions Editor

Although more comedians re supposed to have been bred n Liverpool than in any other lace, the joking has ceased—t least for the present. Mersey- ide is altogether a more erious and industrious district hese days than the raffish, ather down-at-heel, shipping iverside community with the ffervescent spirit which the eatles set to music.

Instead of dreaming and inging about a new Jerusalem o encompass Bootle, Everton leights, Garston, Birkenhead nd Wallasey, the Merseysiders ave their coats off. They are ctually building it. Reconstruc- ion and the replacement of hat is worn-out or unsatisfac- ory is on a heroic scale: hous- ng, commerce, industry, the ort, roads and tunnels, rail- vays, amenities. Suddenly it is ashionable to provide some- hing brand-new and make yet nother contribution to the ewildering changes taking lace.

A symbol of the new willing- ess to change is the radical urgery being applied to Liver- ool's traditional waterfront by the dismantling of the floating landing stage. "Until recently," said one Liverpudlian "I swear there have been people around here believing that one day the sailing ships would come back."

The full extent of the change on Merseyside should be recognised. It goes far beyond physical reconstruction. More than a million people living around the river, and until recently largely dependent on it for existence, are wrenching themselves from the ways of a community based on ships and trading and accepting a way of life based on industry.

Efforts to implant industry along Merseyside suffered a setback during the recent period of sluggish growth in the national economy. But confidence seems to have revived and the talk among industrialists in the area is now of expansion. There has been a strong business recovery in the past six months. Some 3,500 jobs are being created by new ventures and expansions already announced.

Capital injection

Before long, Ford, the biggest of the car-makers established on Merseyside in the past announces a sizeable capital injection into its Halewood plant amounting to a five-year expansion programme. British Leyland is also expected to choose its Liverpool plant for increased sports car production. Plessey is expanding its large plant for the manufacture of telephone exchanges. Between Birkenhead and Wallasey there is a venture totally new to Merseysiders: a steel "mini-mill." Until now the nearest steelmaking facilities have been the Shotton Works just over the Welsh border.

Pilkingtons, Rockware Glass and Lever Brothers have all decided to go ahead with multi-million pound expansion programmes in the district. Shell has set in motion again some long-delayed expansion of its petro-chemical plants up the Mersey. There are grounds for believing that there will be a major decision by another oil company to build new refining capacity on the Mersey before long. There are inquiries for sites in the Mersey dock areas for new activities, including a food company, oil-rig servicing facilities for the Celtic Sea, and a metal smelter. Meanwhile Liverpool is busy developing a 165-acre industrial estate at Knowsley for companies wishing to take up "tailor-made" sites on Merseyside.

The growth in office employment has been steady rather than spectacular up to now. However, it is clear that Merseyside is going to need some new office buildings if the trend continues. Meanwhile, companies continue to take space in existing buildings — Barclaycard which will employ 120, in an expansion to its original Northampton facilities is a recent example. Current thinking about office development hinges upon how much former dockland becomes available as prime waterfront sites: and whether Merseyside can capture a big fish such as, perhaps, a government ministry.

Already the area is likely to get some 2,000 Civil Service jobs if the Whitehall dispersal plans are implemented. But major office schemes on the Mersey could accommodate many times that number in a riverside office "city."

The recently opened Merseyside Development Office in London (which is the first London representation on any scale by one of Britain's assisted areas), has clearly had some success during its first months in getting across to business in other parts of Britain and abroad that Merseyside is one of the few parts of Britain where there are still comparatively large numbers of people looking for jobs in a compact urban area.

Unemployment has fallen by more than 8,000 but is still too high at around the 40,000 mark. To strike a note of caution to interested industrialists, however, some skilled labour is in short supply and the number of unfilled vacancies is rising.

Merseyside is at a cross-roads in its fortunes. At such a time the methods used to prepare for the future and the men responsible for the methods are more than usually important. So the national reform of local government taking place within the next year chimes well with the local mood for change.

For a century the corporations on the Mersey's banks have shown a continued independence one from the other. At times they have descended to sheer pig-headedness where projects calling for co-operation have been involved. But from next April the Merseyside Metropolitan County will be in existence. It will exercise a strong measure of guidance on the economic progress of Merseyside. Also it will be able to provide the first overall management of the social and the environmental problems that still press so heavily upon many of the 1.7m. people who will be living within the boundaries of the new county.

The county is interested in acquiring as its headquarters the elegant old Docks Board offices at Liverpool's Pierhead from the Mersey Docks and Harbour Company. The new county must provide physical evidence of its presence if people are to believe in it, so the argument runs. And where better than in one of Merseyside's best-known buildings?

The birth of the new county also symbolises the fundamental changes Merseyside is experiencing in thinking and attiudes. The old political alignments quite broke down during the spring elections. The new county, while Labour-controlled, is by no means dominated. Liverpool itself, meanwhile, astounded most of us by voting a Liberal council into power for the new Liverpool district.

Politics look like being unusually fluid on Merseyside during the next year or two.

Local support

Confidence is returning to Merseyside as quickly as it drained out during those depressed years. There is already evidence that the area is anxious to flex its muscles. In particular there is dissatisfaction with the traditional Whitehall habit of managing the affairs of the North West through Manchester, where the regional government departments are centred.

When Merseyside businessmen recently met Mr. Christopher Chataway, Minister for Industrial Development, some pressed for Merseyside to be considered as a separate region to the North West. The idea is attracting quite a lot of local support although Merseyside in its present form would hardly have the size and strength to rank with the existing regions and thus could even suffer from such a move. Looking further ahead to the eventual building of the River Dee barrage some people are already proposing that the most logical development would be the creation of a Merseyside and North Wales economic region. What would the Welsh Office say to that?

LIVERPOOL AND MERSEYSIDE II

Industry emerges from shadow

By IAN GRONBACK

While it is too soon to claim that industrial development on Merseyside has achieved a breakthrough, there are many encouraging signs. The financial crisis which hit the Mersey Docks and Harbour Board three years ago, the problems in the shipbuilding and shiprepairing industry, and severe rationalisation of companies like English Electric, all took a heavy toll. When related to the high unemployment figures, to the image of bad industrial relations, and to comments by Jeremiahs that in relation to British entry into Europe Merseyside was facing the wrong way, the area was in serious danger of developing an outsize inferiority complex that could have done lasting damage.

Sadly, the port crisis and the appalling record of strikes in the docks, which extended into other sections of transportation two to three years ago, cast a shadow over the whole industrial scene. For although Liverpool Corporation since the 1930s has pursued a policy of diversification and of developing industry not dependent on the port, there is, and probably always will be, an inter-relationship. That shadow is now beginning to lift, thanks to the energies of the local authorities, to the Merseyside Chamber of Commerce and Industry, and the trade unions, who recognised the symptoms and are doing something about it.

Bold move

The appointment of an industrial development officer for the region was a bold move to harness energies in "selling" Merseyside and providing a focal point where both industrial and commercial firms could obtain information on sites and offices available and on the wide range of grants available to firms moving into the development area. This year, Merseyside became the first region of the country to set up a development office in London—an embassy to promote the interests of Merseyside nationally and internationally.

Mr. James Gorie, the industrial development officer, a Scot who takes a sanguine view of Merseyside's problems, said: "I am very much more optimistic than at any time since I came here. There has been a fantastic change for the better in the general approach to Merseyside overtures." There are something like 3,000 new jobs potentially in the pipeline. He said he now sees clear signs of economic recovery, with significant expansion by large firms in the Liverpool area. These include Ford, British Leyland (300 men), Hygena (350), English Electric, Barker and Dobson, Tavener Routledge, Courtaulds and Birds Eye.

Most of the big factories have much healthier order books, which has taken up the slack in both manpower and plant capacity. Although it is a little soon to make announcements, a number of big concerns have expansion plans that should come to fruition in the next few months.

Under the impetus of repeated prodding from local politicians and MPs, the Government finally recognised that a region showing an ability to help itself should perhaps receive a new kind of encouragement.

Mr. Christopher Chataway, Minister of Industrial Development, came to Liverpool in July to preside over a conference, "Marketing Merseyside 1974," attended by leaders of management, trade unions and local government. Major decisions of the conference were that the three sections should set up a joint team to travel throughout Britain and overseas, as required, to sell Merseyside as a region in which to invest. At the same time a reception committee would be set up, to be at the service of potential investors visiting the area.

While rejecting calls for Merseyside to be recognised as a region separate from the rest of the North-West on the grounds that it would be small and vulnerable to a sense of isolation, he promised that Merseyside would continue to be treated as a priority area.

That conference, too, was notable for one of the sharpest rebukes yet for critics of Merseyside labour. Mr. Charles Skinner, operations manager at the Ford Motor Company factory at Halewood, said the area's unfortunate reputation for industrial strikes must be corrected. The area was misunderstood. "Merseyside workers are second to none. They have minds of their own, a great sense of humour and a strongly developed loyalty to their workmates," he said. "To understand these men and women, people must come to Merseyside and find out what they are like for themselves."

Ford, one of the biggest newcomers to Merseyside, has an achievement record that speaks for itself. In ten years the Halewood factory has produced 2m. cars as well as 400,000 knocked-down units for assembly overseas. About £400m.-worth of business had been exported. Last year alone the factory produced 246,000 Escorts and Capris.

The Halewood factory has been expanded progressively and there is every indication that this trend will continue. This has been one of the most encouraging features since the motor car industry became firmly established on Merseyside. Standard-Triumph also has plans for the further development of its Speke Hall Road site.

One of the surprising features is that relatively few component and accessory firms have so far followed the major manufacturers to the area. A.C.-Delco Division of General Motors has had a factory at Kirkby since before the motor industry boom. One of the newcomers is Cross International, which specialises in machine tools for the industry. It opened a £1.5m. plant at Kirkby in 1970 and new employs over 200.

For some of the smaller engineering companies the motor car industry has replaced shipbuilding and ship repair as a major source of sub-contract work. But shipbuilding itself is showing a significant recovery. Cammell Laird Shipbuilders of Birkenhead is about to embark on a £20m. modernisation scheme for the yard which includes development of the biggest covered ship factory in Europe. It should be in full production by 1976.

This company encountered some of the problems typical of those confronting traditional industries in the area. Mr. J. Graham Day, chief executive, recently admitted that when shipbuilding activities came under the direction of the new company they were in the position of having inherited a plant which was "virtually a piece of scrap."

Labour relations

The company set about making the best of the order book it had and produced enough evidence to convince the principal shareholders — the Government and the Laird Group — that the potential was there, that investment was justified. From an image of poor labour relations and late deliveries the yard has developed a reputation for delivering ships on time and labour relations, although not completely out of the wood, are certainly much improved.

Faced with the loss of orders for warships for the Royal Navy, the company developed standard ranges of product carriers and tankers and orders and potential orders for these ships have already justified the design work that went into the project, which coupled with other orders, ensures a full workload during the modernisation period.

Ship repair engineers are still having a tough time but typical of the resourcefulness of smaller firms G.B.S. Engineering Company, of Liverpool, has brought a new industry to the region — the building of fishing vessels. In collaboration with Bute Ship Dock Company it has secured a contract to build two multi-purpose fishing vessels for East of Scotland owners.

Another indication of resourcefulness is the plan for Britain's first pollution-free industrial estate at Knowsley. Environmental Resources is carrying out a £3,000 feasibility study for the scheme and has named eight industries that might be suitable for the estate —food and food processing, metal finishing, paper processing and products, pesticides, pharmaceuticals, tanneries, cosmetics and packaging.

Under the scheme Liverpool Corporation would provide facilities for solid and liquid waste disposal, water cooling and possibly the recovery of materials which each firm ing to the site would share.

Another imaginative p is for a "food city" to be loped around the extensiv stores of Frigoscandia I Simonswood, and also a p to develop port-related tries to replace those animal feedingstuffs ma turers who have been c local mills and transferr inland areas.

Until the early part of year, new developments new expansion of existing barely offset losses th closure and rationalisation. there are signs that new lopments mean real expa Apart from 3,500 new actually in the pipeline, John Price, director of region's development offic London, reports firm enqu from companies which result in projects employin to 4,000 people.

With considerable incen in the way of regional dev ment grants, selective fin assistance, grants for s industries and help towards cost of training and transf well as regional employ premiums, and the indu relations situation in b perspective, Merseyside attracting more interest potential developers.

Local government

By DEBORAH WAROFF

"Yes, the lines for the Merseyside Metropolitan County have been too tightly drawn. But that is history. Our job now is to make it work." Stanley Holmes, Town Clerk of Liverpool, declines to lament political misadventures that may have shaped the reorganisation of local government around the Mersey. On April 1 next year he will take office as head of the new Metropolitan County.

As a metropolitan county, the new Merseyside will have a two-tier government, with responsibilities shared between the Metropolitan and district authorities. The districts are Liverpool, Wirral, Knowsley, Sefton and St. Helens. Much of this is traditional "scouse" territory or Liverpool suburbia. County boundaries generally parallel closely the unofficial edges of the Merseyside conurbation.

The reorganisation of government has, however, substantially changed Liverpool's relationship to its overspill towns. Liverpudlians have partly populated Skelmersdale, Winsford, Ellesmere Port and Runcorn. But the first will join with Lancashire and the others have been assigned to Cheshire. Now the new towns are interested in independent growth and are in effect competing with their parent for industry — in some instances with the unfair advantage of lower rates or cheaper land. Overall, the continuing trend is movement of industry and population towards and even beyond the outer edges of Merseyside.

Liverpool local government officials consulted by the central government with a view to reorganisation had originally recommended that Merseyside boundaries include Ellesmere Port. But this was not done. Skelmersdale and the parish of Hale, in Whiston, were at one time meant to join with Merseyside, but were hived off by a 1971 Parliamentary amendment. This amendment meant a drop of 23,000 in the Metropolitan County's population and a decrease of over £3.5m. in rateable value, according to 1971 census figures.

Highest priority

The highest priority for the new county is co-ordinated economic growth. The area has suffered heavy losses of industry over the past decade and the population is declining while unemployment remains obstinately high.

Mr. Holmes stresses that the new county cannot go it alone and must investigate lines of communication with other authorities.

But the first and most important line of communication will be among the five districts and the county, in order to settle on common objectives and common solutions to problems.

While the districts will be responsible for the management of industrial estates, overall responsibility for area development belongs to the county. A major part of the Metropolitan Authority's job will be to sell Merseyside.

Whatever lines have been drawn in Westminster, Liverpool remains the strong natural focal point for Merseyside. It is the centre for area employment and retailing, and a natural leader among North-West towns. Flint turned to Liverpool for help in the fight to save its steel works. Showing similar fighting spirit, Liverpudlians went without invitation to Brussels in order to try to extract from the EEC maximum aid for British regions.

Liverpool has already begun marketing Merseyside. It is hoped that the larger Metropolitan County might make available more financial resources for promotion. But, meanwhile, Liverpool has taken the lead with its new Merseyside Development Office in London, experience in approaching investors, and support for indunstry in obtaining grants.

Promotional strategy follows three tacks—making sites and services available to industry, improving and publicising the area infrastructure, and selling people on "the civilised pattern of life" characteristic of Merseyside.

Last month the Liverpool Corporation published a glossy four-colour brochure entitled "Merseyside—Scene of Good Living." It is obviously aimed at allaying management's fears about an area more widely famed for its working class heroes than for its comfortable suburbs. The Merseyside area, the brochure informs one, has 30 full-length golf courses and local cricket leagues of significant standard.

The main site being forwarded for industrial development in the county is a 165-acre tract in the Knowsley district. Though located in Whiston, the site belongs to Liverpool. Ten acres have been let already, and 10,000 square feet of advance factory space will be made available.

Structure plan

Pinpointing of further sites for industry throughout the conurbation will have to wait for publication of the new Merseyside structure plan. A team of planners seconded from area local authorities has been working together for two years towards formulating such a plan. By April they expect to be ready to present the Metropolitan and district authorities with a clear idea of area problems and alternate solutions for consideration.

The planners' approach has been what the new county's chief planning officer, Miss A. M. Lees, terms "outward looking." The object of this sort of planning, she explained, is action.

The team has tried admirably to make consultative, non-elitist planning a workable proposition. "Everyone should be a part of the plan," says Peter Wood, head of the stru plan group.

Towards this end, 100 organisations ranging from Chamber of Commerce and TUC through to the Friend the Earth were asked to ment on a preliminary re designed to "focus on t aspects of Merseyside which for planning action, identif the main problems of the which the structure plan sh help to remove."

In an effort to get away f pressure groups and out to man in the street, the plan also surveyed 2,000 househ representing a cross-section the Merseyside populat Local councillors, and alder too, were questioned with a to identifying specifically problems. And 12 consult groups have been advising specialist topics like hou finance, and industry.

The household surveys vealed vandalism as the frequently identified prob while unemployment is problem most acutely suffe Councillors and aldermen frequently cited housing problem, followed by environment. Not surpris the inner Merseyside w were seen to have the most lems while rural and subu areas of Cheshire and La shire reported very few p lems.

LIVERPOOL AND MERSEYSIDE III

Recovery in the docks

By RAY DAFTER

Mersey Docks has spent the last three years slowly—and painfully at times—putting itself back on its feet after the spectacular financial collapse which labelled the port one of the country's "lame ducks." With the Government refusing to give special assistance, the port has had to seek its own salvation; the extent of the changes that have taken place is an indication of just how bad things were in the docks.

Given a modicum of good fortune Mersey Docks and Harbour Company, the body set up to take over control of the port from the former trust board, might have hoped for more positive signs of recovery at this stage. As it is, it still faces a long haul to profitability, stable labour relations and renewed confidence among its shipping and shipper customers.

Trading success

The £50m. Royal Seaforth Dock, which must hold the key to Liverpool's future trading success, has taken longer to commission than the dock company would have wished. Even the royal naming ceremony, performed by Princess Anne this summer, was overshadowed by the doubt as to whether a settlement could be reached with dockers over the manning of the new dock's timber terminal.

The terminal, through which Liverpool hopes to recapture much of the timber trade which it has lost to other U.K. ports, is at last in business. The first ship into the two-berth terminal in July carried a Russian cargo of 2,238 tons of pre-slung timber which dockers unloaded in 36 hours. This cargo-handling record of 66 tons an hour illustrates what the Liverpool docker can do, given the right conditions (both materially and in terms of labour relations).

The brittle nature of industrial relations in the Liverpool docks has been an aggravating factor, although not the cause, in many of the port's difficulties. Important steps have been taken to improve the situation. Last week it was announced that dockers will be given a chance to participate in the running of the port. Nevertheless, the new personnel director responsible for industrial relations is under no illusion that he has one of the toughest of all jobs in the docks.

The man, himself, Mr. Charles Fairfoot, seems unabashed at the prospect. As an executive who has risen through the ranks of British industry—he was once an engineering apprentice and a works convenor—Mr. Fairfoot knows a good deal about grass roots trade unionism. He also knows about the idiosyncracies of the docker, for he looked after industrial relations in the British Transport Docks group for three years.

As he puts it, the Liverpool job is important both for Merseyside and the British economy generally. His philosophy is reflected in the remark: "From my experience, there are too many people in the docks who just sit in their offices and expect to solve their problems that way."

In both these comments Mr. Fairfoot sums up the changed attitude of Mersey Docks management. The managing director, George Brimyard, has on consultants advice built up a team around him with specific responsibilities. Besides industrial relations, marketing and the efficient operation of port services have been given greater emphasis.

The trio responsible for these activities were appointed as divisional executives at director level after one of the most remarkable recruiting campaigns seen in the port industry. Apart from Mr. Fairfoot it drew in Dr. Alan Salmon from the engineering industry, where he had held senior marketing positions and directorships, and Mr. William Thomas from ICI—he is the new port services director, although he had been seconded from the chemical giant as the port's development manager since 1971.

The reorganisation of the executive structure stems partly from the company's desire to sharpen its management edge and to improve its somewhat tarnished image of the past and, more immediately, to administer the very different company that has emerged in recent years. The acquisition of three stevedoring companies doubled the company's workforce to 10,000, for example, while also giving more control over what happens in the port as a whole.

The reorganisation has given Mersey Docks five divisions: operations, commercial, port services, personnel and finance. Mr. Brimyard continues as managing director and Mr. James Fitzpatrick stays as assistant managing director and head of the operations division. The port is still left with the task of appointing a finance director designate in preparation for the retirement of Mr. Hugh Wrigglesworth in about 16 months.

Through the reorganisation of management, stevedoring, dock services and the move out of old, loss-making berths in the South Dock complex to more modern facilities downstream, the Mersey Docks Company can claim to have laid the foundation for a more efficient port.

As Mr. John Page, the company chairman, told stockholders at a boisterous annual meeting in June: "We trust that with the efforts we are making to improve the efficiency of the port we shall be able to attract more and more business and this is the continued objective of the management."

Considerable leeway

If this is so the management has considerable leeway to make up. The last annual report shows that tonnage has been falling steadily in the past five years, bar for a welcome hiccup in 1971 when, for a brief period, the port seemed to be heading for early recovery. In 1968, for example, Liverpool handled 27.4m. tons of imports and exports. Last year the throughput was 25.6m. tons. It is doubtful whether there has been any real revival this year judging by the move away from the docks by some container operators and the delay in starting operations at the much-needed grain berth at Seaforth.

On the financial side, it is doubtful whether 1973 will be a year to write home about either. Aggravated by the national dock strike the operating profit fell to £5.6m. in 1972 as against £8.2m. After interest payments and depreciation the port made a £1.76m. loss as against a £1.3m. profit in that encouraging year of 1971.

It was the port's inability to repeat 1971's turn-round last year that was partly responsible for such drastic measures being proposed under the required capital reconstruction scheme. In a nutshell the company is proposing to write down 70 per cent. of the nominal value of debenture stock; a swingeing cut in investments, much of which takes the form of private savings. As partial compensation stockholders would receive about £20m. nominal redeemable preference share capital. The company says this is the best scheme available under the terms of a Parliamentary Act.

Most stockholders disagree and the scheme has been referred to the High Court for judgment. The hearing will be later this year, but not in the normal courts. Because so many are expected to attend, the hearing will be held in a nearby hall.

The rumblings from disgruntled stockholders have even raised the possibility of putting the whole port into liquidation. Answering this particular call, Mr. Page said that liquidation would not provide stockholders with anything like the amount proposed based on the port as a going concern. "The large amounts of money spent on the docks," he said, "only earn money when operating as part of the port. The assets have little value otherwise, so it is in your interests, apart from any other consideration, that the port continues to operate."

It is also in the national interest that the port should continue to operate as a major link in the country's transportation network. In spite of all its difficulties Liverpool is still considered Britain's second port and premier exporting terminal. Liverpool's own market research emphasises that companies making 60 per cent. of all British exports are within 100 miles of the port. Almost a third of the total U.K. population lives within this radius.

In Seaforth, Liverpool has the newest and one of the best equipped purpose-built harbours in Europe. If there is to be further rationalisation elsewhere in the port system, that dock must not be allowed to become a white elephant. Soon the port will have improved roads linking it with the rest of the country; a campaign has been mounted to attract industry to Merseyside, to the port's doorstep. If the Mersey Docks Company, with its revamped management structure, new facilities and increased opportunities, cannot make a going concern of the port then nationalisation—regarded as a palliative in the late 1960s—might well be the port's only hope for the future.

Transport links

By DEBORAH WAROFF

The ferry service across the Mersey, begun by monks in the 12th Century, still plays a limited but important role in the smooth functioning of Merseyside's present transport network. Seven ferries carry more than 5,000 passengers between the commuter land of Wirral and Liverpool's Pier Head during each rush hour. During the five-minute crossings a curious ritual takes place. The travellers pace unceasingly around the deck in an anti-clockwise direction, taking in the sea air and the river scene. This must be the healthiest public means of travelling to work in all Britain.

The ferry service is only one among the seemingly endless range of Merseyside Passenger Transport Executive (MPTE) concerns. The largest number of journeys around the Mersey estuary area are taken on the 1,400 buses that operate within the MPTE's area, which covers over 230 square miles. At last count, in the late 1960s, 54 per cent. of all journeys to work in central Liverpool were by bus.

Even as conventional a transport mode as the bus has received considerable attention from the MPTE in efforts to improve public transport. For the past three years the Rapid-ride programme has provided express bus services from outer suburbs not yet served by rail.

At MPTE headquarters a control room crammed with video and other electronic aids helps smooth traffic flows. TV cameras with 360 degree orbits posted around the city allow controllers to keep an eye on things. A light-up chart shows which of the city's traffic signals are red and which green at any given moment. 600 buses are fitted with radio, which makes still more information available. Any critical information garnered is passed directly on to the public over Radio Merseyside.

Investigation of bus priority lanes, continual revision of routes and conversion to one-man buses (60 per cent. of the total already) all figure in attempts to design an optimal public transport system. Indeed, flying carpets are among the few means of transport not undergoing study by the MPTE. Rolling roads, cab-tracks and mini-trams are all being considered as potential means of providing passenger access to a Liverpool shopping district that will one day be pedestrianised. Electric buses have been tried and dial-a-ride will be investigated. "We try to keep an open mind," explains MPTE Director of Planning and Development P. I. Welding.

Best disincentive

But plans for improving public transport around the Mersey estuary depend heavily on an improved rail network. A convenient rail service is reckoned the best disincentive against people bringing their cars to congested centre city areas. And of course rail lines, having their own rights of way, never suffer from traffic jams.

The most compelling argument for a rail backbone to Merseyside's transport network, however, is that the area is already blessed with an extensive rail network. This includes 11 commuter lines, plus inter-city services to London, the Midlands, Manchester, Yorkshire and Scotland. Rail resources include tunnels and track currently fallow but potentially very useful. Compared to the financially and physically huge scale of most modern road and public transport schemes, only a very little needs to be done for Merseyside to have a truly excellent rail system.

The Merseyrail Loop and Link project, totalling just over three miles of track and costing only £25m., will tie the area's rail lines into a single system. Tunnelling for the two-mile-long loop will be completed in mid-September and trains will be circling the new single track by late 1975. The bulb-shaped loop tunnel runs under the very centre of Liverpool. Strung along its route are James Street, Lime Street and Central Station. A new underground station at Moorfields will be handy for the existing Exchange Station.

The loop line will cross under the Mersey to Hamilton Square at Birkenhead. There, a complementary "burrowing junction" is being dug, designed to allow more trains to pass through the station at once. The loop and Hamilton Square junctions together will double the rail passenger-carrying capacity on the Wirral-Liverpool route.

The 1½-mile long link line will cut under Liverpool on a roughly north-south axis, and its principal function is to bring the northern and southern edges of the Merseyside conurbation closer to the centre and to each other. The new track will allow trains from the north to run straight to the heart of the shopping district instead of ending at Exchange Station, on the fringe of the central area, as they now do. Interchanges between Link and Loop will provide continuous rail travel from Southport to Chester or West Kirby to Wigan with only changes of platform.

Rail network

The MPTE recognises, however, that a good rail network is not on its own enough to make rail travel strongly competitive with the motor car. Getting people to the train station is half the battle, which is why the MPTE is experimenting with varied sorts of interchanges between rail and other transport. Fifteen experimental interchanges have been set up for information gathering purposes. Half involve bus routes designed to deliver travellers to the trains; half are park-ride schemes. Experimental interchanges have been spread around a cross-section of stations, in poor as well as rich neighbourhoods and in both fringe and central areas.

Two stations are also being examined for potential combination of property development with interchange construction. Merseyside is not a boom area starved for development sites. But the Waterloo Station to the north of Liverpool is on a main road and might therefore be suitable for a mixed development of offices and shops. Birkenhead Park, in the Wirral, is another possibility.

Plans for further improvements to Merseyside rail lines present still more interesting possibilities. There are plans in the works to electrify many more miles of commuter rail, schemes for outer rail loops to the north-east and south-east of Liverpool, and hopes that Parliament will approve an electrified spur line to St. Helen's. The spur would make use of an existing tunnel. If that goes through a new station would be provided at Broadway, where, as MPTE Director General Arthur Moffat points out, the M62 motorway is expected to terminate. A road-rail interchange at that point could set a precedent for dealing with the problem of traffic in towns.

LIVERPOOL AND MERSEYSIDE IV

Civil Service may provide key to office expansion

By PETER RIDDELL, Property Correspondent

Liverpool, for all its prominence as a major provincial city, has tended to lag behind some of main rivals in the last few years as a centre for new office development. Both Leeds and Bristol have showed a greater rate of expansion of office building recently, while in the immediate vicinity Manchester has attracted the north west regional offices of many of the leading national organisations and is more popular with property developers than Liverpool. There are a number of reasons for this disparity—some related to communications but mainly to the rather muddled and slightly unfavourable image Merseyside has attracted.

The situation is rather curious since Liverpool is one of the few British provincial cities with an identifiable business centre. It is the most important insurance centre outside London and there are some 13m. square feet of office floorspace in the city itself—making it the country's third largest provincial office district. And Liverpool has historically had a far higher proportion of office space per head of population than, say, Leeds or Birmingham, which have had greater scope to catch up.

In any event, 2m. square feet of commercial office floorspace has been completed in Liverpool in the last decade and a further 1.1m. square feet is currently under construction, of which 1.1m. square feet has been pre-let. Moreover six schemes with a total footage of 350,000 square feet, a quarter pre-let, should have been started by the end of the year. This has included a steady replacement of older accommodation—for example, in areas near Castle Street. Allowing for the loss of floorspace because of the demolition of old offices the actual increase in floorspace should reach about 2m. square feet by the middle of the 1970s.

Among the current projects are the massive development in Old Hall Street being carried out for the Liverpool Daily Post and Echo—539,000 square feet of offices and printing works—and for the Royal Insurance Group—811,000 square feet. However, plans for a Civic and Social Centre costing more than £10m. have recently been rejected by the Environment Secretary.

Low proportion

The proportion of unlet space in Liverpool—less than 4 per cent. of the total—is particularly low at present compared with the national situation and mostly consists of out-dated buildings and small office suites. This is a major part of the office problem in the city since with so much of the planned space already pre-let there is relatively little speculative development and space immediately available for anyone interested in moving to the city.

The Corporation—and the energetic Merseyside Development Office in London—are hopeful that this situation will change. As the 1972 City Centre Plan Review pointed out: "Some development for additional floorspace will result from the expansion of established local offices but the provision of the larger part of the extra (planned) floorspace can only be justified by the city attracting new firms from outside the region, possibly including decentralised Government Departments."

This is really the key to the situation since a major move into the city of civil servants, perhaps a large ministry could provide a stimulus to the whole office sector. This might attract other firms and persuade developers that Liverpool is, in fact, a very attractive place in which to operate. The city has received some encouraging news on this point in the last few months since the Hardman committee recommended that 2,000 Whitehall civil service jobs should be dispersed to the area, although the details and timing of any move have yet to be worked out.

A further, and probably more important long term, boost has been provided by the new Government incentives to service industries to move to the assisted areas. These include removal grants of £800 per employee and rent-free concessions for varying periods up to five years in certain cases. The Development Office launched a special shops and offices campaign to coincide with the announcement of the new package and some 350 new jobs are currently being negotiated in this sector, including a new Barclaycard Centre in Dale Street which will employ over 120 people.

Brighter picture

While the demand picture therefore looks brighter than for some time there is no shortage of sites to create the neccessary supply and talks are under way with developers about a number of them. There are six major sites, if necessary capable of sub-division, in central Liverpool at present which could absorb about 2m. square feet of offices. In addition more than 20 office sites are ripe for redevelopment in the near future.

Of these possible redevelopment areas, by far the most exciting in terms of long-term potential is the area of over 250 acres of dockland and quay side south of the Pier Head, consisting of the Albert, Canning and Salthouse Docks owned by the Mersey Docks and Harbour Company and largely surplus to its requirements. In the late 1960s Mr. Harry Hyams' Oldham Estate Company proposed large waterside city offices here but perhaps unfortunately these plans did not work out.

But in the last few years much thought has gone into the preparation of plans for this area and a proposal has been approved by the Corporation, which has been acting [...] junction with the Mersey [...] and Harbour Compan[y] [...] redevelop the Mann [...] Canning Dock area. [...] scheme would provid[e] [...] square feet of offices, a[...] shopping, a maritime m[...] a 250 bedroom hotel an[d] [...] ing for 800 cars. A devel[...] being sought here [...] Ministerial decision [...] required. If these pl[...] transform the waterf[...] begin to get off the grou[nd] [...] of the other main opport[...] in the area will be t[...] Albert Dock, which incl[...] fine example of mid-nin[...] century warehouses [...] deserves especially [...] treatment.

While Liverpool is the [...] office centre within Mer[...] there are a number of im[...] secondary office areas—[...] Birkenhead, Bootle, St. [...] Southport and W[...] together with the newer [...] of Crosby, Huyton, Kirk[...] Skelmersdale. These hav[...] of the attractions of st[...] office centres anywhere, [...] most impressive expans[...] occurred in Bootle wher[...] a low base with very littl[...] employment in the earl[...] a major office centre ha[...] created. More than [...] square feet of office sp[...] been completed in the [...] the last decade with [...] major new schemes in th[...] line including the massiv[...] complex. The town ha[...] established in this [...] following the arrival of [...] Government and other [...] bodies as major employe[...]

Arts looking for a wider audience

By ALISON MACDONALD

The arts on Merseyside are alive and well and waiting to be discovered by the wider world. Visitors may search in vain for the "Mersey Sound" of the 1960s as they remember it, but when it comes to the artistic side of life, the sounds and sights of Merseyside are diverse and spontaneous. One has not far to look for a variety of artistic happenings.

The Establishment arts are here. The Royal Liverpool Philharmonic Orchestra is frequently "at home" at the "Phil"; there are regular tours of internationally renowned opera and ballet companies. Good folk clubs proliferate, and at one point "folk" may be said to have taken the place of the Beatles, as far as a dominant influence goes.

Local artists—many return to the area after spells in London or abroad—have a choice of galleries to display their art. Then there are supposedly more keen amateur actors and actresses *in the North West* than in any other part of the country.

In such a cosmopolitan area there is tremendous scope for the individual. Talent is recognised as something that can happen to anyone at any time in life. There's hope for all—and generally an appreciative audience to go with it.

"Art has been regarded as a luxury item for too long, rather than a basic necessity . . . but there is a creative urge in everyone," says Keith Diggle, Director of the Merseyside Arts Association, who claims that the MAA—which financially assists and helps to support a diverse number of events and exhibitions throughout Merseyside—is in existence to create change and attitude.

"The climate in recent years has been unfavourable towards the arts, when you compare the attendances at sports events, but it is changing. There is more interest now in the more experimental art forms, particularly dance, but reaction is mainly among the 16-25 year-olds," he adds.

It is this age group which goes to the theatre "expecting nothing," as critic Stanley Reynolds puts it, while their elders go either filled with preconceived ideas or the expectation of being entertained. There's nothing wrong in this, of course, but it should be remembered that audience participation does not necessarily mean getting up and doing something.

Ken Dodd proved this most emphatically in his one-man show "Ha Ha." There were no Diddymen in sight, just a series of highly theatrical and circus-like 'props' and a packed auditorium filled each night with a cross-section of British public not quite sure what to expect, *but prepared to take a chance.* It worked, and the audience left each night having been made to think (and enjoy thinking) about, of all things, just what makes people laugh.

Touring companies

In contrast, if theatre audiences fall off, particularly with plays on tour, it is generally the play rather than the actors that is at fault and it is time it is realised that so-called "provincial" audiences are not going to put up with second best. One wonders how much longer a "star" appendaged to a play will attract audiences away from their colour television. The same applies to the large touring companies which leave some of their newer and more adventurous works out of their programme on tour. Lack of adequate sized staging should be their only reason. Modern communications make a mockery of those who pretend the regions are way behind the capital when it comes to culture.

Still on the theatrical side of the arts, one has read of the petitions and general furore when one of Liverpool's five theatres was considering closing its doors to the dozens of amateur groups whose annual highlight is to attract a capacity crowd to a city centre theatre, and make full use of the professional facilities on hand. So successfully has this been done over the past few years that several of the larger companies have moved to a bigger city theatre for more ambitious productions — still playing for a whole week to capacity audiences who treat it as a "proper night out," with perhaps a meal in town as well.

The recent independent inquiry into the theatre situation in Liverpool, by theatre director Robert Chetwyn and Miss Elizabeth Sweeting, Administrator of the Oxford Playhouse, suggested that the amateur groups in the area be decentralised. Alternatively, if the Neptune Theatre, owned and run by Liverpool Corporation, is to continue to be the *home of these companies,* the

Continued on next page

LIVERPOOL AND MERSEYSIDE V

Airport poised for major development programme

BY IAN GRONBACK

LIVERPOOL Airport is poised to embark on a £10m. development scheme that would provide a runway extension to 10,500 ft., a new control tower and associated technical services and a new passenger terminal and freight complex. Design work is at an advanced stage and the project could be operational by late 1977/early 1978.

First, the new Merseyside County Council must negotiate the acquisition of the airport from the Liverpool District Council. There is also the matter of planning permission for the runway extension at Hale, in which Cheshire County Council as well as Lancashire County Council will be involved. And there is also the Civil Aviation Authority report on regional airports to be considered.

Liverpool Airport is still suffering from cardinal political blunders of 20 years ago, when the city council of the day missed the opportunity to take back control of Speke Airport. Manchester City Council did so successfully. Manchester had a decade start in the development of Ringway before Liverpool took control of its own destiny.

New terminal

Plans to develop a new terminal to complement the new Liverpool runway never got off the ground, partly because operators continued to spurn Liverpool. Then came a body blow with the collapse in 1968 of British Eagle, the airport's main operator, only a year after the inauguration of high-speed electric trains to London blasted a big hole in passenger carryings. Cambrian Airways picked up the pieces after British Eagle collapsed but it has taken time to re-consolidate.

The two years 1967-69 was the only period in the past decade when passenger statistics declined and, overall, between 1961 and 1972 terminal passengers have more than doubled from 240,000 to just under 520,000. In the current year the January-July total of 332,000 is 8 per cent. ahead of last year, and in 1974 the airport will receive its biggest boost for years when Cambrian Air Holidays, the subsidiary of Cambrian Airways, launch a new inclusive tours programme that will provide 16,000 holidays out of Liverpool.

This and the development of other inclusive fare services will mean an additional 355 flights out of Liverpool—255 in summer, 100 in winter.

Last year, with losses on the airport running at over £400,000, consultants were called in and three alternatives presented to the Liverpool Corporation Transportation and Basic Services Committee, which is responsible for the operation of the airport. These were: to close; to continue as at present; or to develop.

The third course, to develop the airport, was decided on in principle, but not before the Liberal Party had called for the closure of the airport. With the Liberals now the majority party in the Liverpool District Council that threat has been taken seriously. There has been a closing of the ranks among all who believe Liverpool Airport should be developed and that it can and will prosper.

Evidence has been produced that 80 big industrial firms use the airport regularly and to close it would create major problems, for the despatch of freight like pharmaceuticals, as well as for passengers.

And in expressing an airline point of view, Mr. Clive Saunders, deputy managing director of Cambrian Airways, said: "Closure of Liverpool Airport would be catastrophic for Cambrian. Of 382,000 passengers carried on Cambrian aircraft last year, half went through Liverpool. We have links between Liverpool and Cardiff, the Channel Islands, Belfast, Glasgow, the Isle of Man, Dublin and London as well as inclusive tours and our freight operation."

Mr. Ronald Williams, director of Transportation and Basic Services, Liverpool Corporation, said: "We have to expand. We cannot make a profit standing still. If the development proposals go ahead the airport could be handling 2m. passengers a year by the early 1980's and 2m. is about the figure at which airports seem to break even."

The old, deep-seated rivalries between Liverpool and Manchester have long given way to a more positive view of the competitive position of two airports within 35 miles of each other—Manchester now an established international airport, Liverpool still struggling to find its niche in the national, European and international route pattern.

Single control

Mr. Williams said he believes the two airports should eventually be brought under single control and developed in tandem on the lines of Heathrow and Gatwick, each with a fairly defined and well understood role. With the new motorway and road network evolving, the two airports would be little more than 30 miles apart by road.

For a wide area of population in the North West the difference in travelling time to the two airports is an infinitesimal 15 to 20 minutes. Liverpool, he believes, could concentrate on long haul while Manchester develops its already extensive network with Europe.

Mr. Keith Porter, the airport director, put all this a slightly different way. "I think both airports are vitally necessary for the needs of the economy of the North West region and I do not like to see this preoccupation with the South and East. Within 12 miles of Speke there are 2.5m. people, and Ringway and Speke together could become a formidable terminal facility for aviation."

Understandably, Mr. Porter believes fervently in the future of Liverpool Airport and considers the development scheme will go ahead. "Geographically and environmentally Liverpool is very well sited, and with the runway extension a lot more traffic would take off and land from over the Mersey. Relatively speaking, we cause little nuisance to our neighbours. This would eliminate a lot of air traffic over Hale. The airport has a good weather record."

Another attraction of developing the new terminal on a 281-acre site near to the new runway was that this would facilitate closure of the old airfield releasing 483 acres of land for housing or industrial development. This would provide sufficient capital to make a significant contribution to the cost of the new development.

Mr. Porter said the airport is served by an excellent workforce, industrial relations are good, and Government departments, including Customs and Immigration authorities are most efficient and most co-operative. "Everyone here grasps every opportunity to demonstrate this is a first-class airport with a future."

Even with its present limited terminal resources the airport has handled up to 1,800 passengers in one-and-a-half hours. Mr. Porter said that the temporary "international" terminal developed in a hangar and opened in 1971 is reaching saturation and there is a scheme to extend this as a holding operation, running seating capacity from 220 to 700, to go ahead next year.

Philosophies have been advanced over the years that Liverpool should be developed as a freight airport. It is now generally accepted that the bulk of freight from Liverpool is carried on passenger services and that without a wider range of scheduled services the volume of freight actually flown out of Liverpool Airport must be limited. Although there are a number of scheduled freights, notably newspaper flights to Northern Ireland, a significant proportion of air freight from Liverpool—18,000 tonnes a year and increasing at the rate of 6.5 per cent. a year—is forwarded through Manchester and Heathrow.

Mr. Williams believes there is scope for the development of freight operations from Liverpool. He has a theory that urgent cargo arriving at deep sea container services at the Royal Seaforth Dock could be air freighted to inland destinations in Europe. Although the lack of a wide range of scheduled passenger services inhibits this idea at present, he believes it is a theory and a facility worthy of investigation.

The vital political decisions on the future of the airport will be made within the next few months. Until they are taken, no one can predict with confidence what the future holds.

Natural growth

But neither industry nor commerce can foresee a city and seaport the size of Liverpool without an airport. If, as is confidently believed, the development project goes ahead, Liverpool Airport will be in a position to market confidently for the first time. With the natural growth in demand for air services and first class communications by road and rail the North West could sustain two airports to counter-balance concentration of air terminals in the south and east.

It is not without significance that as a matter of policy Liverpool City Council is opposing the Maplin project because they believe that the huge capital cost could jeopardise investment in other regions including Merseyside.

CONTINUED FROM PREVIOUS PAGE

Wider audience

report following the inquiry suggests that the groups concerned should have a much larger say in the administration of the theatre.

The Corporation recently agreed to treble the £5,000 grant to the Playhouse Theatre, whose repertory season veers rather towards the tried and trusted, but which has an active theatre club and theatre workshop.

For more experimental theatre one would visit the Everyman which, despite serious disabilities in its structure and its urgent need for a new home, attracts a progressively wider age group and increasing box office receipts.

Touring companies at present are housed at the Royal Court and the Empire Theatres. The latter, by far the largest of all five theatres, brings big name one-nighters to the city. The Royal Court, heavily subsidised by the Arts Council and the Merseyside Arts Association, probably provides the most consistantly varied fayre.

Poetry, particularly "pub" poetry, with an opportunity for the casual onlooker to throw in the odd line or two from the floor, is still active but perhaps not as strong a force as it was initially.

Mrs. Mary Wilson joined Adrian Henri and friends for a session which included mood music as well as poetry. The audience was small but appreciative, and poetry looks like retaining its minority appeal outside the home. But bookshops in the area report a growing demand for those slim volumes that were previously only acknowledged by the "university crowd."

It's true that few people appreciate things on their own doorstep, and this is particularly true of buildings such as museums and art galleries, but the response to the launching on Merseyside of "Friends of the Museums and Art Gallery" (the Liverpool Museums and the Walker Art Gallery) was overwhelming.

Not so much a fund-raising effort but more of an appreciation society, it has brought together a motley collection of interested "Friends," both native and imported who, besides contributing their own special gifts—often in the form of specialised knowledge—to the society, have organised many ambitious meetings and projects and learnt a lot about the behind-the-scene running of these two curators of the city's valuable heritage.

Many artists return to live in this area they knew from childhood, many of them frantically recording the streets and buildings before the central bulldozers do their worst.

Great following

Like acting, painting has a great amateur following in the North West and there are ample opportunities for displaying one's work. Maintaining and running a gallery these days calls for a fair amount of capital or an additional source of income. Some of the longer-standing gallery proprietors complain about falling standards in the hands of "rough amateurs." Nevertheless, it keeps interest in painting alive.

A brief glance through a mid-summer copy of "Arts Alive Merseyside," the free monthly MAA magazine gives a typical cultural diet for a month. It advertises concerts of light music by some members of the Philharmonic, to be held at libraries, halls and schools through the region; the premiere of a new musical play by the Everyman company; a local art society holding a special evening when members talk about their own work; four exhibitions at the Museums; experimental films and events at the Walker Art Gallery for a season . . . the list is endless and the publication gives full details of just about everything it knows is going on.

Interviewing a group of young people recently—the oldest was 25—they were asked what they thought of the scene each side of the Mersey; what did they like about living in the area? They were unanimous in their individual replies. They liked living here because, one, they liked the people and, two, there was plenty to do. One sensed that they'd become an entirely different middle-aged audience for the Merseyside art scene from their parents' generation. This should help to keep things alive.

APPOINTMENTS

COURSES

COMPANY NOTICES

CHARTER CONSOLIDATED LIMITED

Notice to holders of 5% convertible unsecured loan stock 1984
INTEREST PAYMENT NO. 9

NOTICE IS HEREBY GIVEN that the loan stock register of the Company will be CLOSED from 17th to 30th September, 1973 both days inclusive, and that warrants in payment of interest in respect of the half year ending 30th September, 1973, amounting to £2.50 (less tax at the basic rate) per £100 nominal of loan stock, will be posted on the 29th September, 1974 to stockholders registered on 16th September, 1973.

By Order of the Board
CHARTER CONSOLIDATED LIMITED
E. G. Rucland
Assistant Secretary

London Office:
40 Holborn Viaduct, EC1P 1AJ.
4th September 1973

HIGSONS BREWERY LTD.

NOTICE IS HEREBY GIVEN that the Transfer Registers in respect of the 6½% Unsecured Loan Stock 1200/2005 will be CLOSED from the 17th September to the 29th September 1973, both dates inclusive.

By Order of the Board,
G. W. PARSONS, Secretary.
127 Dale Street
Liverpool L2 2JJ
5th September 1973.

J. W. CAMERON & CO. LIMITED

NOTICE IS HEREBY GIVEN that Ordinary Shareholders on the register at the company at the close of business on the 14th September 1973 will receive the Interim Dividend to be paid on the 9th October, 1973.

By Order of the Board
G. USHER
Secretary

INTERNATIONAL UTILITIES OVERSEAS CAPITAL CORPORATION

COPIES of the Financial Statements of the above named Company, dated 30th June 1973 are available from—
S. G. WARBURG & CO. LTD.,
Coupon Department,
St. Albans House
Goldsmith Street
LONDON EC2P 2EB.
5th September, 1973.

ELDER SMITH GOLDSBROUGH MORT LIMITED

NOTICE IS HEREBY GIVEN that a Final Dividend at the rate of 7 per cent. on the Paid-Up Capital of the Company (thus making, with the interim dividend of 5 per cent. paid 4th May 1973 a total distribution of 12 per cent. for the year to 30th June 1973), has this day been declared payable on 12th November 1973.

The Registers of Members and Transfers Books will be closed from 11th to 12th October 1973, both dates inclusive, for the purpose of determining entitlements to the Final Dividend.

By Order of the Board,
R. C. OLIVER
Secretary.

Adelaide 4th September 1973.

JOHN SHAW & SONS (SALFORD) LIMITED

NOTICE

YORKSHIRE REGISTRARS LIMITED have *been appointed*, with effect from 1st October 1973, as REGISTRARS to the above Company.

PLANT AND MACHINERY

CLUBS

APPOINTMENTS WANTED

CORPORATION LOANS

CINEMAS—(Cont.)

BOND DRAWINGS

NOTICE OF REDEMPTION TO HOLDERS OF COURTAULDS INTERNATIONAL FINANCE N.V.

9¼% GUARANTEED LOAN DUE 1985
UNCONDITIONALLY GUARANTEED BY
COURTAULDS, LIMITED

NOTICE IS HEREBY GIVEN that pursuant to Condition 5 of the terms and conditions of the Loan and Clause 2 of the Trust Deed dated as of the 5th day of October 1970 between Courtaulds International Finance N.V., "the Company", Courtaulds, Limited, "the Guarantor", Lloyds Bank Limited, "the Trustee" the Bonds bearing the following serial numbers have been drawn for redemption on 1st October, 1973 by operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof. The redemption payment of each Bond drawn for redemption will become due and payable on 1st October, 1973. Interest on each such Bond will cease to accrue on and after such date.

76	90	104	124	165	186	187	189	264	414
510	527	540	566	302	608	622	663	707	798
828	851	862	[illegible]	922	927	948	[illegible]	1024	1071
1108	1183	1233	1277	1290	1370	1403	1431	1674	1484
1492	1526	1595	1652	1703	1705	1709	1727	1759	1812
1973	1981	2052	2063	2071	2173	[illegible]	2159	2219	2296
2349	2355	2368	2408	2439	2451	2506	2527	2569	2591
[illegible]	[illegible]	2666	2670	2685	2702	[illegible]	2783	2825	2835
2865	[illegible]	2890	[illegible]	2952	3103	3106	[illegible]	[illegible]	3200
3209	[illegible]	3280	3308	3465	3502	3587	3585	[illegible]	3611
[illegible]	3635	3636	3685	3690	3706	[illegible]	3800	3824	3874
3953	3984	4018	4060	4109	4130	[illegible]	4177	4196	4198
4241	4308	4325	4331	4360	4383	4401	[illegible]	4429	[illegible]
4562	4585	4647	4663	[illegible]	4680	4684	4734	4747	4851
4874	4902	4908	4938	4961	5018	5024	5058	5072	5086
5093	5210	5261	5399	5400	5423	5457	5460	5472	5512
5516	5527	[illegible]	5616	5667	[illegible]	5778	5783	5823	5904
5928	[illegible]	5955	5989	6032	6093	6226	6281	6327	6476
6477	6511	[illegible]	6550	6568	6693	6717	6912	6935	7167
7255	7311	7323	7362	7464	7475	7490	7497	7592	7604
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14910	14929	14954	15124	15264	15289	15364	15379	15386	15437
15463	15500	15529	15535	15605	15625	15640	15672	15732	15819
15856	[illegible]	[illegible]	15939	15956	15983	16023	16036	16039	16117
16215	16220	16345	16382	16496	16521	16542	16589	16618	[illegible]
16640	16789	[illegible]	16883	16930	16997	17030	17049	17152	17211
17240	17245	[illegible]	17350	17505	17537	17610	17640	17654	17880
17687	17725	17828	17833	[illegible]	[illegible]	17975	17977	18209	18258
[illegible]	18321	18352	18354	18376	18485	18499	18539	18545	18575
18741	18747	18774	18818	18930	18947	19011	19036	19070	19071
19105	19113	19135	19166	19180	19234	19258	19280	19284	19296
19304	19432	19501	19505	19527	19542	19544	[illegible]	19627	19631
19689	19714	19747	19772	19774	19787	19900	[illegible]	[illegible]	19963

The above numbered Bonds will be redeemed at the principal offices of Chemical Bank, 20 Pine Street, New York, New York 10015, U.S.A.; Deutsche Bank A.G., Junghofstrasse 5-11, Frankfurt/Main, Germany; Credit Lyonnais, 19 Boulevard des Italiens, Paris, France; Kredietbank N.V., 7 Rue d'Arenberg, Brussels, Belgium; and Kredietbank S.A. Luxembourgeoise, 37 Rue Notre-Dame, Luxembourg, upon surrender of such Bond for payment and cancellation.

NOTICE

The following bonds previously called for redemption have not as yet been presented for payment.

933	[illegible]	3085	3982	5051	5158	5181	5550	5559	5575
[illegible]	6004	6044	6045	[illegible]	6157	6326	6850	6859	6864
6989	7077	7118	7149	7186	7195	7199	7227	8389	8393
8543	8550	8556	8995	9057	9061	[illegible]	9470	9475	9479
9482	9484	9488	9541	10704	10706	10720	10788	10807	13221
13758	14949	14968	15002	15034	15371	15394	15398	15572	15574
15844	16308	16578	17660	18478	18482	19061	19065	19074	19199
[illegible]									

Nominal value of bonds in circulation $19,071,000 (including bonds drawn for redemption on 1st October, 1973 and bonds not as yet presented for payment).

CHEMICAL BANK on behalf of
Courtaulds International Finance N.V.

Dated: 5th September, 1973.

REPUBLIC OF PORTUGAL

DEBENTURE LOAN 6¾% 1967-1977 of U.S.$15,000,000

The redemption on 1.10.1973 for which a sum of U.S.$1,875,000 is planned, has been partially repurchased at the Stock Exchange.

For the repayment of the balance, that is U.S.$1,093,000 a draw was made in the presence of a Notary.

Bonds listed below will be redeemable at par, coupon at 1.4.1974 and ex-div. as from 1.10.1973.

1	4	7	9	10	34	[illegible]	[illegible]	54	55
59	72	76	77	78	79	80	81	82	83
84	85	90	92	97	98	106	156	[illegible]	172
176	179	187	188	189	207	208	209	210	217
232	234	237	238	262	269	270	279	321	322
325	333	371	373	392	405	409	433	434	435
437	439	472	479	499	503	513	517	530	534
536	562	575	579	580	581	587	595	628	659
660	663	678	684	695	715	721	724	730	731
757	989	978	986	1073	1075	1083	1170	1181	1182
1196	1198	1197	[illegible]	1237	1238	1239	1258	1282	1283
1285	1289	1300	[illegible]	1313	1323	1325	1342	1345	1350
1353	1354	1376	1387	1388	1399	1415	1454	1474	1480
1481	1482	1490	1514	1532	1533	1546	1554	1556	1588
1587	1588	[illegible]	1605	1626	1645	1653	1663	1697	1700
1703	1708	1713	[illegible]	1724	1725	1745	1752	1763	1764
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13453	13458	13505	13528	13535	13536	13549	13607	13608	[illegible]
13610	13621	13625	13627	13634	13654	13655	13659	13683	[illegible]
13692	13723	13742	13743	13744	13745	13754	13797	13798	[illegible]
13800	13802	13843	13856	13884	13894	13895	13899	13905	[illegible]
13942	13945	13946	13947	13952	13953	13956	13957	13960	[illegible]
14013	14023	14043	14085	14086	14099	14100	14102	14103	[illegible]
14105	14125	14136	14144	14145	14151	14158	14165	14192	[illegible]
14199	14201	14211	14215	14238	14253	14259	14270	14305	[illegible]
14323	14330	14357	14363	14365	14373	14374	14375	14412	[illegible]
14425	14435	14448	14459	14518	14517	14594	14599	14598	[illegible]
14621	14626	14628	14659	14670	14671	14735	14740	14753	[illegible]
14752	14775	14793	14794	14798	14826	14828	14833	14895	[illegible]
14913	14944	14997							

BONDS DRAWN AT 1.10.72 AND NOT YET PRESENTED FOR REPAYMENT

272	473	1596	1599	1731	1739	1741	1895	2042	[illegible]
2077	2078	2085	2085	2120	2129	2134	2135	2143	[illegible]
2223	2437	2556	2703	2718	3715	4050	4089	4898	[illegible]
7390	7486	7987	8490	8728	8815	9924	9867	10005	[illegible]
10437	11742	11744	11745	11746	11776	12744	12757	12758	[illegible]
12977	13593	13594	13596	13597	13759	14096	14395	14453	

BONDS DRAWN AT 1.10.71 AND NOT YET PRESENTED FOR REPAYMENT

506	507	3772	7093	10587	11666	11667	12878	14717	[illegible]
14719									

Paying Agent
BANQUE DE PARIS ET DES PAYS-BAS
POUR LE GRAND-DUCHE DE LUXEMBOURG

PERSONAL

The Executive's World

EDITED BY JOHN TRAFFORD

The current proposals on inflation accounting could be highly dangerous, argues **John Kay**, who suggests that

The historic cost principle must go

BRITISH financial reporting will step backwards if it adopts the draft recommendations on inflation accounting put forward last January by the Accounting Standards Steering Committee.

At the moment the committee is sifting through comments sent in about its proposals. The proposals require companies to prepare supplementary accounts to give an indication of the effect of inflation on profits, prices, dividends and capital structure. The trouble is that the indications would be thoroughly misleading and dangerous to the business community.

There are three areas where conventional accounting becomes inaccurate when inflation is rife: depreciation, stock valuation, and debt. Of the three, companies are probably most aware of the inadequacy of their depreciation procedures.

Depreciation

Conventional depreciation is based on the original cost of the equipment involved. As inflation proceeds it becomes increasingly inadequate.

A prudent firm provides for supplementary depreciation. Some have done so, but this is not general practice. Companies do not like making provisions which reduce reported profits when competitors are under no obligation to do the same. Many *seem to hope inflation will just go away*. Provision for supplementary depreciation is not accepted by the Inland Revenue and thus has to be made from taxed profits.

Different firms are affected in different ways. In some industries, technological advances may stop equipment prices from rising. In others, virtually obsolete plant may only be used because it is already there. The effects of currency changes may mean a steep rise in the cost of replacing equipment. But in every case, changing prices will have effects which historic cost depreciation will conceal. If care is not taken the result may be uneconomic or uncompetitive pricing, or an erosion of the company's fixed assets.

The ASSC recommendations will not help a company to avoid these dangers. The ASSC says depreciation provisions should be increased in step with the consumer price index. The main elements are the costs of food, clothing and housing. The price of the plant and machinery has no direct effect on it at all. As a guide to the cost of such equipment, the index is clearly unreliable. As a guide to the cost of equipment used by any one firm, it is virtually useless.

Publication of these adjusted depreciation figures may well be worse than making no adjustment at all. In the past, a company would say that its depreciation did not reflect inflation, and that it had therefore made additional provision out of retained profits. In future, a prudent company will have to explain that, though its depreciation provisions do reflect inflation, they do not reflect it sufficiently.

The actual provision made for replacing fixed assets is not the one made in the conventional accounts, nor the one made in the supplementary accounts, but another figure altogether. Some companies will no doubt do this and their bemused shareholders will wonder what purpose these supplementary accounts serve. But others may believe that their accounts now reflect the increased cost of replacing assets, and it may be years before they discover they are wrong.

A second shortcoming of conventional accounts lies in the valuation of stocks. A bicycle retailer normally holds in stock 10 bicycles worth £10 each. One year, prices rise by 10 per cent. and realising that he will have to buy new stock at these new higher prices the retailer raises his selling price to £11. He sells all his initial stock, and has just enough cash to buy 10 new bikes. But his accountant points out that he has increased his profit margin on each bike by £1 and the taxman demands half of that in Corporation Tax. His shareholders expect some of his "profit" also. So his extra £10 disappears, and he can now afford to buy only nine bikes at the new price. As inflation continues, his stock will continue to diminish; until he has only one bicycle left, on which he can cycle down to the labour exchange to look for a new job.

With inflation, firms earn paper profits because the book value of their stocks increases, although the quantity of goods in the warehouse or the physical volume of work in progress may not increase at all. This effect has long been *recognised* in computing the gross national or domestic product. Stock appreciation (which reflects the inflationary rise in the book value of stocks) is subtracted from companies' reported profits. At one time this was a fairly small item. In 1961, net company profits totalled £2,291m. and stock appreciation was put at £123m. But in 1970, net profits were £2,934m. and stock appreciation £746m.

This problem is more serious for some companies than for others. Some industries tie up a high proportion of capital in stocks. Distillers, a pioneer of inflation accounting, falls in this category. The tobacco industry is another example. Publishers and aircraft manufacturers are also affected.

One tricky question is raised by *these considerations. It* may be that the price of bicycles has risen more rapidly than prices generally. In computing the retailer's "true" profit, should we subtract only the part which results from the general price increase, or should we subtract the profits which accrue from the full rise in stock values? If the price of cocoa doubles, while retail prices rise by "only" 10 per cent., it is clear that the difference between the two methods may be very great.

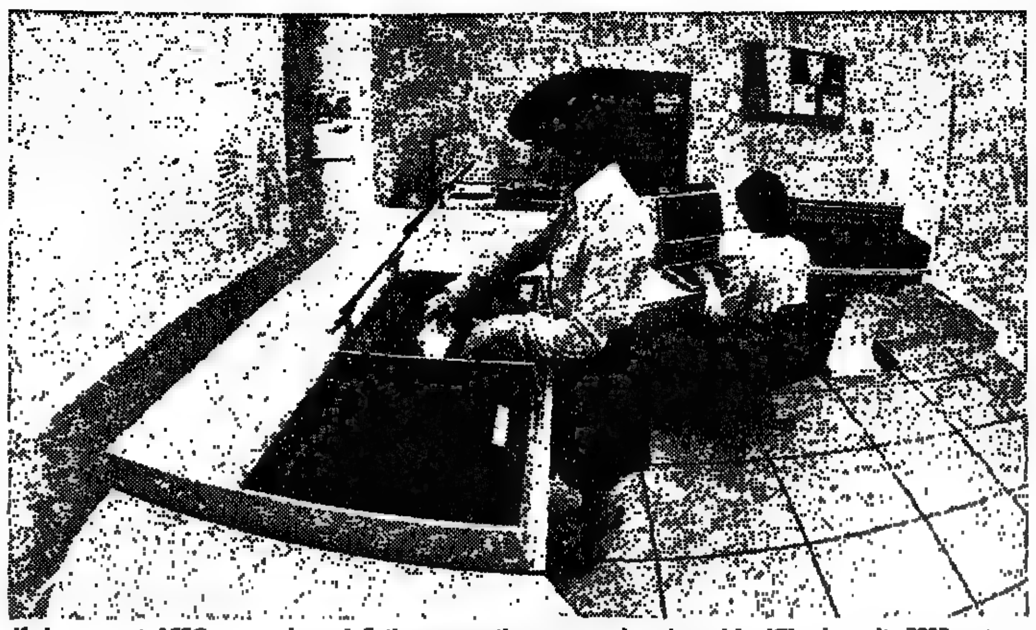
Two views are possible. In an ingenious compromise, the ASSC manages to take both of them. When the price of current assets goes faster than the general price level, the gains will be included in profits. When the price of fixed assets goes up faster than the general price level, the gains will be excluded from profits. It is hard to defend inconsistency of this kind.

Increasing depreciation provisions and subtracting stock appreciation will normally reduce reported profits. The third correction, which concerns debt, will normally increase profits. When inflation is rapid, it is wise to buy goods and to get into debt while doing so. Companies benefit from the erosion of the real value of their debt since the money to repay the debt is constantly decreasing in real value and so is increasingly easy to earn.

This factor particularly helps companies with highly geared capital structures like breweries. Companies with a high proportion of their capital invested in stocks often finance it by debt, so although their true profits are reduced substantially (when stock appreciation is deducted) they gain from the erosion of the real value of their liabilities. Composite insurance companies benefit in a slightly different way. The currency in which they receive premiums is more valuable than the currency in which they pay claims.

The ASSC proposes that companies should credit themselves each year with an item of profit which represents the decline in the purchasing power of the net liabilities. The reasons why this is erroneous are quite subtle, and it is simplest to explain them in the context of a practical example.

A recent survey showed the effect of the ASSC proposals on the reported profits of numerous companies. The largest gainer is Land Securities, whose profits will rise by 400 per cent., and the biggest loser, International Computers, whose profits will fall by 500 per cent.



If the present ASSC proposals on inflation accounting were to be adopted by ICL, above its 2903 system, the company's profits would fall by 500 per cent.

Fallacious

Last year, Land Securities made a profit after tax of £9m. Almost half of this is attributable to "transfer from capital reserve relating to development properties" and "taxation adjustments relating to previous years." Under the ASSC proposals, its profits rise very substantially because of the company's extensive gearing. About 40 per cent. of total capital employed is long-term debt and the annual decline in the purchasing power of this debt (over £400m.) is considerable.

This argument is fallacious. About one-third of the debt is convertible loan stock, equivalent, for practical purposes, to Ordinary shares. The Unsecured Loan stock 1983 carries rights of conversion into 80 Ordinary shares and it consistently sells for approximately the price of 80 Ordinary shares. The company derives no benefit whatsoever from the annual erosion of the nominal value of this stock.

The rest of Land Securities' long-term borrowings are a range of mortgages and unsecured loan stocks. The company will gain from the depreciation of the currency in which these debts will be repaid but the ASSC proposals enormously exaggerate the benefit. The average redemption date of the fixed-interest borrowings is 1998. If inflation continues at 10 per cent., the annual addition of profits (under ASSC rules) will be 10 per cent. of the debt. The company would be expected to credit itself with this item every year for the next 25 years. The credit total would be more than twice the value of the debt. The alleged "decline in real value" of the debt is far greater than the debt itself!

Of course, this is nonsense. If one does not repay a debt until 1998, its effective burden is much less than the nominal amount of the debt. Thus Land Securities' liabilities, because they are so long deferred, are considerably less onerous than they appear in conventional accounts. If the company invested £20m. at current interest rates, it could accumulate enough to repay their £274m. of mortgages and loan stock as they fall due. But since the debts are smaller than they seem, the benefits which the company derives from their decline are also smaller than they seem. I estimate that the apparent addition to Land Securities' profits on this account would, under ASSC proposals, be more than 15 times the true gain.

This is not the end of the story. The ASSC overstates the burden of debt repayment, but ignores the impact of debt service. House purchasers know that the main difficulty is not repaying capital but meeting interest payments. Inflation, by reducing the value of the money in which these payments are made, makes this easier. If we take proper account of this factor, Land Securities' profits are significantly higher than £9m. though by no means as high as the ASSC approach would suggest.

ICL's profits will be most reduced by the ASSC proposals because the company's depreciation charge is high in relation to gross profits. The increase in depreciation provisions which inflation accounting involves turns ICL's modest profit into a substantial loss. The problems of accounting for computer companies are difficult, and I do not claim to have solved them. But it is interesting to see why ICL's depreciation charge is so high. It is not that data processing equipment falls to pieces very quickly but rather that its economic life is short. The relevant item in the ICL accounts is not simply depreciation, but "depreciation and obsolescence."

The normal justification for making depreciation provisions in excess of historic cost (that replacement costs are rising) is largely inapplicable to ICL. Its equipment becomes obsolete because the cost of new equipment is lower—at least in terms of value-for-money. If inflation does raise the price of the next generation of machinery, that will reduce rather than increase obsolescence. If new equipment becomes more expensive, it is worth making do with the old for a little longer, and the rate at which the old becomes obsolete falls. There is probably no need for any inflation adjustment of ICL's depreciation provisions.

I have chosen Land Securities and ICL because these companies will be most radically affected if the ASSC proposals are adopted. In both cases, the existing accounts are probably a more reliable guide to the financial position of the company than the "inflation adjusted" supplement. I suspect that this will be true more generally.

A more fundamental reappraisal of the role and purpose of financial statements is needed. Basically, there is little prospect of more *useful* or informative financial reporting until the historic cost principle is jettisoned. Managers, investment analysts and economists want to know what assets are worth, not what they used to be worth. If this change were made the need for separate "inflation accounting" would disappear.

The author is a Fellow of St. John's College, Oxford, and is currently doing research on inflation accounting.

YOUR BUSINESS PROBLEMS

Tax on rental income

BY OUR LEGAL STAFF

In 1971/72 I formed a company to receive rents and pay expenses applicable to flats in a building I bought, in which I live. The Tax Inspector claims that I personally should be taxed and *not the company. Is this correct?*

The Inspector is correct if the flats have not been leased to the company as, unless they are leased to or owned by the company, it is difficult to see how the rental income could be regarded for tax purposes as that of the company.

A club and a dividend

The report and accounts of a club of which I am a shareholder does not mention dividends as being on the agenda for the AGM. Is this correct? If not, is it possible to move that a dividend be paid? I also see that numbers of staff, wages, etc., are not shown. Is this type of company not obliged to supply such information?

We imagine that the reason why the staff and wages are not shown is that the number of staff is under 100; in this case the provision of Section 18 of the *Companies Act*, 1967, do not apply.

The usual form of articles provides that a general meeting can declare a dividend not exceeding that recommended by the directors. Assuming that the articles of this company follow the common form, all that the absence of any reference to dividend means is that the directors have decided not to recommend the payment of one. You would accordingly be out of order if you sought to move that one should be paid.

Participation in growth

I want to participate in the growth of a company to which I have been acting as a consultant but I am reluctant to accept a small shareholding, as this could mean that no dividends were declared. Have you any suggestions?

We think that *the solution* to your problem may be found in the creation of some kind of preference shares which will entitle you to payment of some percentage of any profits made by the company, as shown by the balance-sheet and calculated according to some clear formula, without the necessity of the declaration of a dividend. This is perfectly possible—although unusual—legally speaking; and you would thus be guaranteed a proper share in the prosperity of the company, while leaving the equity (after satisfying your demands) in the hands of the shareholders.

An insolvent company

A company in which I had deposits became insolvent some years ago, but I have been unable to find out what is happening and the last communication I received was dated October 31, 1971. Is there not a statutory obligation to send notices of AGMs and reports to creditors? What steps can I take?

Unfortunately you do not state what the letter dated October 31, 1971, says, nor do you say whether the company is in liquidation. If it is not in liquidation there is no obligation to notify you of company meetings unless you are a shareholder. You would be entitled to notice of creditors' meetings if the company is in liquidation. We suggest that you write to the secretary of the company at its registered address inquiring what the position now is. A search of the file at Companies House might also yield useful information.

A binding agreement

An employee signed an agreement amongst other things to work for 10 years for a company as required, except that during certain hours he would work at his own private place of business. He further agreed "after finishing with the company I would not do in any way any work or business that the company directors can do"? Could such an agreement be enforced?

If freely entered into and signed without duress or compulsion such agreement would be binding on the company and on the employee. He could not be compelled to work outside the hours stated in the agreement. If he fails to observe the terms of the agreement the remedy lies in damages—the court will not specifically enforce a contract for services. You may be able to obtain an injunction to prevent the employee from working elsewhere if you can show a breach of the clause restricting competition, but it is likely that the Courts would hold the clause to be void as being too wide in its scope.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

Conferences

● **Techniques of telephone selling** is the subject of a two day conference to be held in London on September 17 and 18. The cost is £41.80 (non-members) and further details are available from The Industrial Society, Robert Hyde House, 48 Bryanston Square, London, W1H 8AH.

● **Holiday and travel industry—priorities for managing people** is the subject of a one day conference to be held in London on September 18. The cost is £22 and further details can be obtained from the Industrial Society, address as above.

● On October 2 to 4 there will be a three-day conference on Business Opportunities in the Pacific Basin. This conference will be held in Singapore.

An inclusive travel arrangement for delegates from Europe and the United States who wish to fly out of London to attend the conference has been organised. This includes a week in Singapore, a week in Kuala Lumpur and Penang and two days in Hong Kong at an inclusive price of £750. The cost of the conference alone is £100 and further details can be obtained from the Financial Times, Conference Department, 388 Strand, London, WC2R 0LT.

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WEDNESDAY SEPTEMBER 5 1973

Consumers and prices

THE VARIOUS business indicators published yesterday, silent commentators on Mr. Heath's call for continuing growth, can be divided into those which have been overtaken by subsequent events and those which are more directly relevant to the conduct of economic policy. The former group comprises the statement of the clearing banks for the month to mid-August and the movement of the foreign exchange reserve for the month of August. The banks report a drop in sterling deposits for this period despite a sharp rise in advances, the latter due largely to the re-opening of the gap between bank lending and money market rates, the former to seasonal and special factors. The latest rise in the base rates of the clearing banks, however, took place after the August make-up day.

The further sharp drop in the exchange reserve which took place during August has been similarly outdated by a rise in interest rates deliberately brought about to meet pressure on sterling. The drop in the reserve and the increase in public sector foreign borrowing during the month together amounted to £158m., less than the £272m. of the previous month but enough to serve as a reminder of the external constraints on domestic policy. A sizeable part of this drop must have been the counterpart of a balance of payments deficit on current account.

Terms of trade

One of the main reasons for the size of the current deficit is the sharp worsening in the terms of trade. The analysis for July shows that import prices rose by nearly 3 per cent. in that month alone while export prices rose by only half as much; compared with July of last year, import prices were up by 32 per cent. and export prices by only 11½ per cent. In terms of volume, on the other hand, imports appear to be levelling out (at least temporarily) after a sharp jump earlier in the year, while exports are still gradually rising.

If, as there is some reason to hope, the rise in commodity prices soon reaches a peak, the strain on the balance of payments will be eased; the necessary qualifications to this statement are that imports of raw materials for stock may rise once prices begin to fall and that the continued growth of exports depends both on the state of world demand and the amount of productive capacity available at home. The state of world demand is outside our control. The amount of productive capacity available to meet export demand will depend largely on the behaviour of real personal consumption, itself largely affected by the behaviour of prices.

Spending up

The fact that import prices were still rising so steeply in July means that there are still sizeable increases in wholesale and retail prices to come, unless they are controlled so strictly under Phase Three as to depress profits to a point where new investment becomes unattractive. This must complicate the negotiations about the form of Phase Three, but it should be common ground between the TUC and the Government that the rise in personal consumption must be strictly limited.

Higher prices, together with a reaction from the pre-VAT spending spree, have slowed down the growth of consumption considerably since the Budget. The retail sales figures for July, on the other hand, now suggest not only that real consumption of food has risen with the seasonal drop in some prices but that the sales of non-food shops have begun to move up again. The consumer credit figures for the same month show a similar trend. How fast and persistent this recovery will be has yet to be seen, but it must play a part of some importance in guiding the direction of policy. We all want *continued* growth. It is over-rapid growth that is most likely to result in a damaging stop.

Now gas goes into the red

OF ALL the nationalised industries the British Gas Corporation had the best chance of remaining profitable during the past few years of cost inflation and enforced price restraint. The arrival of natural gas transformed the industry from something of a cinderella among publicly-owned industries into one of the fastest growing and most successful.

In the event the industry has managed to stay out of the red but only just. Its net profits during the past five years have averaged a bare 1½ per cent. of turnover. The £5m. net surplus achieved by the Corporation in its latest year, to last March, was equivalent to only 0.6 per cent. of turnover. The margin would have been fractionally larger had it not been for the gas workers' dispute last February and March. But it would still have been inadequate and this year it is likely to disappear. At this stage a net loss of perhaps £35m. to £40m. can be expected.

Unavailing

Three factors have contributed to this outcome. The most obvious has been the policy of price restraint which successive governments have imposed upon the public sector industries more or less continuously during the past seven years. The Gas Corporation, like its predecessor, the Gas Council, has asked to be compensated for the revenue thus made forfeit but these requests have so far been unavailing—perhaps because the industry has managed to keep in the black. But now that the Prices Commission has refused to sanction a 4.5 per cent. tariff increase this autumn—the first change in gas tariffs since January 1972—a period of loss-making is unavoidable.

The Commission's decision was based on a technicality in the present price code. Prices may be raised to cover increases in allowable costs but not when unit costs are falling as has been happening in the gas industry. The difficulty that could be caused by invoking this rule was pointed out by the Corporation when the code was in draft. Because the proportion of low-priced sales to industry has been rising rapidly and because, too, the gas tariff offers inducements for high volume usage and for conversion to natural gas, the average revenue the Corporation receives from gas sales has been falling even faster than average costs.

Balance

Average costs would have declined much more had it not been for the sharp upward trend in interest rates—the third factor contributing to the Corporation's financial difficulties. The Corporation may have been making considerable use of the more flexible arrangements now governing nationalised industry borrowing from the banking sector and from abroad, and the peak of its capital investment programme may have passed. But its total borrowings have none the less risen and, partly because some nationalisation stock has had to be redeemed, they are costing considerably more.

As a result the ludicrous position has now been reached where the Corporation is expected to achieve a 7 per cent. target return on its net assets yet last year its total capital liabilities cost 7.23 per cent. in interest and the Corporation actually achieved a 7.3 per cent. return. Moreover, because the Corporation's accumulated reserves are tiny, the interest charge alone absorbed the equivalent of a 7 per cent. return. Over and above that, the Corporation on its own estimate ought to be making another 2 per cent. a year so as to cover asset replacement.

Furthermore, the present degree of under-pricing in the gas tariff will hardly help ease the difficulties the Corporation will face in endeavouring to balance an exceedingly buoyant demand for gas with the much less buoyant volume of supplies it has contracted for until the substantial additional supplies now due to come from the Frigg field start to flow in 1976.

A management overhaul for the world's trading system

BY IAN DAVIDSON

NEXT WEEK Ministers from most of the world's trading nations, including some from the Communist countries, will meet in Tokyo to launch a new round of trade liberalising negotiations. With any luck, it will be a fairly dull occasion, and should certainly be duller than the corresponding gathering at the start of the Kennedy Round ten years ago, when the proceedings were seriously disrupted by a head-on clash between the French and the Germans. There may well be a number of crises before the negotiations (sometimes misleadingly known as the Nixon Round) are finally concluded; but the Tokyo launching meeting ought to be reasonably peaceful.

The reason for this is that none of the major participants have got themselves boxed into an impossibly rigid position on the negotiations in advance. The Kennedy Round was based on an American initiative, the Trade Expansion Act, which proposed a 50 per cent. across-the-board cut in all tariffs; the Germans liked the idea, but the French did not, and they did not succeed in resolving their differences on the question until the negotiations had been under way for several years.

This time the Community has an agreed opening position, but it is phrased in such general terms that most of the important disagreements can be postponed until later. On the American side, the Trade Reform Bill is considerably less detailed than the Trade Expansion Act; and in any case, it still has not got through Congress, and probably will not do so until the beginning of next year.

Draft declaration

It has therefore been fairly easy for the Ministers' deputies to work up a six-page draft declaration on the general aims of the negotiation, which should be approved (perhaps with modifications) in Tokyo. Each of the Ministers will be allowed to make a little speech, lasting ten minutes but no more, and the conference will be asked to set up an official Trade Negotiations Committee, which will start work in October. And then, at the end of the third day, everyone can go home.

There are, of course, one or two problems which could disturb this smooth programme. In the first place, a fuss may be made by some of the developing countries, notably those from the Andean group, who want more attention to be paid to their special needs. In fact, the longest single paragraph of the draft declaration is devoted to the needs of the developing countries, and says explicitly that they would not be expected to give fully reciprocal concessions to the developed countries.

The other delicate point concerns the relationship between the trade negotiations and the reform of the international monetary system. The French have argued that the depreciation of the dollar since March has given the U.S. an excessive

Olivier Long, Director-General of GATT: a more political role in future?

trading advantage, and at their insistence the Community countries have agreed that the conclusion of the trade negotiations should be contingent on "parallel efforts to set up a monetary system which shields the world economy from the shocks and imbalances which have occurred in the past few months."

Monetary reform

The Americans, on the other hand, want to use the trade negotiations as a way of reducing the preferential advantages of countries in, or associated with, the European Community; so they want to make the monetary reform contingent on the trade talks. Since both sides agree that the two processes are interlinked, it might be thought that there need not be a serious conflict. But the phrasing of this link may nevertheless be the subject of prolonged and ingenious argument.

This battle over words is less important for itself (since it ties nobody's hands) than for what it implies about the trade negotiations as a whole. Every previous GATT negotiation has been regarded primarily as an industrial tariff-cutting exercise, and the tradition reached its peak with the Kennedy Round which led to an average tariff reduction of about a third. At the same time, however, the emphasis was swinging to other trade questions, such as non-tariff barriers and agriculture.

Not very much progress was made on non-tariff barriers in the Kennedy Round, apart from a formalisation of new rules for anti-dumping procedures, and at the last moment the U.S. backed away from an opportunity to set up a new international framework for farm production and trade. But there can be little doubt that these questions will be even more prominent in the new negotiations.

In 1963 the major dispute of principle was between the Americans, who wanted a 50 per cent. cut to be the general rule, and the French, who wanted bigger proportional cuts in high tariffs than in low; the reason being that the U.S. had some very high tariffs, whereas the Community's external tariff was the average of six national tariffs and thus had few very extreme positions. In the event, the Americans got their way, with a 50 per cent. cut being the general rule: but this time round the formula (or formulae) will be rather different.

In the first place, the success of the Kennedy Round turned moderate tariffs into low tariffs, but even a 50 per cent. cut did not turn the highest tariffs into moderate tariffs. The Europeans are therefore even more determined that there must be bigger cuts in the higher tariffs, preferably by aiming at a harmonisation of tariff levels.

Curiously, the Americans appear to be less hostile to the idea of harmonisation than they used to be. It therefore seems probable that the tariff-cutting formulae will include some element of across-the-board cutting and some element of harmonisation. The French may resuscitate their old idea that all industrialised countries should aim to harmonise their tariffs at 10 per cent. for manufacturers, 5 per cent. for semi-manufacturers, and zero for raw materials, but other variants on this general theme are of course possible.

One of the reasons for the increased emphasis on harmonisation is that countries with low or moderate starting tariffs are afraid that a repetition of the success of the Kennedy Round would leave them without any bargaining power in subsequent negotiations, by seriously reducing their import protection. But the other consequence of the Kennedy Round is that few countries are prepared to envisage another large-scale tariff cut unless it is accompanied by an improvement in the international safeguard rules.

If they are to reduce their protection against imports by another big margin, they want to know in advance that they can take effective emergency action in case their domestic market should be disrupted by a flood of imports. This argument carries more weight as a result of the extraordinary expansion of Japanese exports to Europe and the U.S. in recent years.

This safeguards issue could well turn out to be the most important chapter in the negotiations, after agriculture. The General Agreement on Tariffs and Trade, which has provided the framework for international trading rules ever since the war, contains a safeguards provision in the shape of Article XIX. But in practice this has proved difficult for anyone to invoke effectively, and the task of the negotiators will be to devise new procedures which will make safeguard action possible to deal with real emergencies, but not so readily available that it offers an easy back-door for unwarranted protectionism.

But the key point about a new safeguards procedure is that it would have to be internationally policed, to make sure that it was not being invoked too often or for too long by countries that ought really to be taking structural action, to improve the competitiveness of their industries, to retrain their workers, or to change their exchange rates. In all probability, therefore, progress on the safeguards question will lead to a more influential role for the GATT secretariat, whose function has hitherto been relatively technical, and thus a more political role for the Director General of GATT.

Reticent figure

Whether Olivier Long, the present incumbent is ideally suited to such a role is at the moment uncertain. So far he has been rather a reticent figure at the preparatory meetings, showing none of the taste of ebullient wheeler-dealing which was so characteristic of his predecessor, Eric Wyndham-White. But the negotiations proper will no doubt give him plenty of opportunity to make his presence felt.

Agriculture has alway extremely difficult to ins a classic trade liberalisin tiation, because virtually country operates some farm support policy, a their policies are differe task has not been ma easier by this year's food prices. In the p harshest American com against the European munity have been dire the protectionism of th mon agricultural policy. practice the CAP ha prevented a steady incr U.S. food exports to th munity, and the force American complaint ha further undermined b year's decisions to block of certain foods, if o short periods.

In the Kennedy Rou two sides came within of establishing new inter rules for farm producti trade, when the Commun posed that each country limit food production to tain proportion of consu At the last moment th backed away from the because it thought the munity was demanding a Self-Sufficiency Ratio for itself. But now the cans seem more interest SSR scheme than in while food shortages hav the Europeans rather interested.

Farm trad problems

How this problem is solved remains unclea French would like nationally managed co arrangements, as they have: the Americans, predictably, want to removal of barriers to tra British appear to be int in the idea of permanent tional machinery for with farm trade problems is clear is that any sig new arrangements for a tural trade must impose on the latitude of national policies.

One conclusion stands the negotiations are to success, they will have to new international rules strengthening of interna institutions for dealing tariff discrepancies, with tariff barriers, with saf mechanisms, with the de ing countries, and with a ture. This is the real p contact with the reform monetary system, which is to include new rules for changes and stronger tions for managing liquidity. The Kennedy was perhaps the last tariff-cutting negotiation new round will be abo management of the world's ing system—or should be.

MEN AND MATTERS

A question of taste

You might recall that after Maxwell Joseph's Grand Metropolitan Group had taken over the Truman brewing concern, it found a genuine Gainsborough painting hidden away among its assets. But I suspect that Joseph is still not aware that when he acquired International Distillers and Vintners last year he gained control of some of the most modern spittoons in the world.

They happen to be part of a wine school operated by Gilbey Vintners, an IDV subsidiary. The school was moved to a new headquarters three years ago after £50,000 had been spent on converting a former optical factory in Westminster, and until recently its pupils have been restricted to IDV customers and members of the wine and spirit trade (some 1,200 a year have been "processed.") But now it has been decided to make the courses available to the public at large.

Clive Williams, a Master of Wine, and 23 years in the trade, is in charge of the courses. He is, he says, particularly interested in attracting women to them because "they now either choose or influence the choice of about 40 per cent. of the table wine drunk in this country." And he hopes to avoid those "who just want the opportunity to get tanked up—because they will be disappointed."

Anyway the charge—£5 for a one-day beginner's course or £40 for a total of seven days at the school—should see to that problem. At the end of seven days any pupil should know much more about wine than the average sommelier (although, to be fair to the wine waiters, their training concentrates much more on service and presentation).

Which brings me to the spittoons, one per pupil in the tasting room in stainless steel and each with its own tap. The IDV men brought all their experience to bear when choosing and installing them. In the words of Tim Ambler, GV's marketing director: "Plumbing may sound a prosaic subject, but anyone who has fought 20 others to reach the spittoon, or whose shoes have received what was intended for a box of sawdust, will testify how vital it is to be able to reserve one's concentration for the wines."

Narrow squeak

Five white-gowned gentlemen, laden with equipment, walked into one of the BBC's many external service departments late the other evening and started peering under desks and poking into filing cabinets. But they weren't looking for bombs. They were the BBC's Mice Squad.

Farming notes: the Irish co-ops

A few months ago I wrote about a unique deal which brought together two Japanese companies, a Philippine conglomerate, and a local farmers' cheese producing co-operative in Donegal. That was to supply Irish cheese to Japan, and each side had roughly equal shares in the equity. But now the Mitchelstown Creamery, another co-operative based farther south in County Cork, is getting a foothold in the British market with a 75 per cent. stake in S. Holland and Son, one of the largest private cheese distributors in this country.

Mitchelstown claims to be the biggest farmers' co-operative in Ireland. Founded about 50 years ago, it has some 4,000 suppliers, and a turnover of around £30m. in a variety of dairy products and bacon. In recent years, when the widespread dairy co-operative production system has been steadily rationalised, Mitchelstown has been one of the most forceful organisations in the country: within the past seven months alone, it has taken over four co-operatives.

But why come to the U.K.? The EEC, it seems, and the added support given to dairy farmers already, is the main reason. "We believe we can double out output in the next ten years," says William Wilmot, the company's chief accountant. S. Holland, a third generation concern, with a turnover of around £4.5m. will, he says, give Mitchelstown a ready-made marketing outfit. In the first instance, this will help tackle the U.K. market; but Holland, which already has a thriving overseas business, will soon be taking Mitchelstown cheese to all corners of the globe.

. . . and an English version

Nearer home, in the Cotswolds, another farming co-operative (of a kind) is also expanding. This time the development is domestic, taking Velcourt beyond cereal farming in the West Country, into the high-cost vegetable production business of East Anglia.

Velcourt was started by four farmers who wanted to pool their resources, but felt that if a co-operative organisation was to work it "needed to be fully integrated." So they set up an organisation which put their working capital into one company (in which they all had an equal stake), while retaining ownership of the land which the farming company then worked. Neighbours who wanted to join were then taken in on an individual partnership basis, again retaining ownership of the land.

There are now 40 of these partnership agreements—one former partner, Howard Dawes, chairman of the Birmingham-based Neville Group which controls the G. R. Dawes merchant bank, having joined the four original directors. For partners, the Velcourt system has the advantage that their share of the profits (split equally between themselves and Velcourt) counts as earned income (rent from tenants does not), while they retain vacant possession (again unlike tenancy agreements).

Over the last two years, their capital growth has been as much as 300 per cent., says Robin Malim, managing director.

And how are they doing themselves? Well, Malim is one farmer who is not complaining about his problems. The organisation started with 2,000 acres, and now has 12,500 with another 800 in East Anglia. It is also starting an Australian company with 16,000 acres, and Malim talks wistfully about the time in the future when it might go public, "the only company of its kind to do so."

Catty

"What does a Liverpudlian read to his cat at night? Furry tales."

Observer

The bank union battle flares up again

From JOHN ELLIOTT, Labour Editor, Blackpool, September 4

THE EBULLIENT Clive Jenkins, who has dominated the white collar union scene for the past few years, has just embarked on what may prove to be his most difficult conquest. After months, almost running into years, of public and private forecasts of an imminent break-through into banking, he is on the brink of moving into the clearing banks with a proposed take-over of the 10,000 member Midland Bank Staff Association.

He more or less has the blessing of the TUC establishment for this expansion of his City recruitment campaign, because his main rival in the clearing banks will be the National Union of Bank Employees, which was one of the 20 unions expelled here in Blackpool yesterday at the TUC conference for registering under the Industrial Relations Act.

This near-blessing is something unusual for Mr. Jenkins, because for years the TUC manual union leaders have disapproved of the brash leadership style of his union, the Association of Scientific, Technical and Managerial Staffs, which has expanded rapidly to its present size of 280,000 members. While they have had to watch this expansion, many of the TUC leaders have themselves been losing members and have not reacted sufficiently vigorously during the past ten years or so to the main growth area of trade unionism — white collar workers.

Poaching

But there is a special reason why the TUC — and especially its General-Secretary, Mr. Vic Feather, and one of its elder statesmen, Sir Sydney Greene of the Railwaymen — are not too unhappy about ASTMS giving NUBE a rough time. The reason is that the TUC in general and Mr. Feather and Sir Sydney in particular have given NUBE considerable help in its fight for recognition from the clearing banks. Here in Blackpool this week, the argument goes that NUBE could have showed its gratitude to the TUC by de-registering under the IRA in line with TUC policy. If NUBE were to be "taught a lesson" by ASTMS, TUC leaders hope privately that others of the 20 expelled unions might take fright, de-register and return to the TUC fold where they can enjoy the protection of the TUC's rules against poaching of members — a protection which NUBE lost when it was expelled yesterday.

But, despite this warning of virtual TUC support for poachers upsetting established labour relations procedures, and despite the enthusiasm with which Mr. Clive Jenkins will officially announce his latest proposed marriage partner on Thursday, ASTMS may not find the going as easy in the clearing banks as it has been during its recent rapid expansion in other commercial and City institutions.

Whether ASTMS turns out in a year or so to have been this week on the brink of taking over the clearing banks or on the brink of a defeat depends almost entirely on whether the established staff organisations in banking can sink their traditional differences, end their infighting, and close ranks against an outsider.

For a time, the banking employers might be prepared to resist ASTMS. But it would be quite illogical for them to do so indefinitely if the existing staff organisations do not initiate any changes. To understand how this situation has developed, one needs to go back half a century or more and trace what may be the longest battle for white collar union recognition ever. From about the time of the first World War NUBE and its predecessors were regarded as despised organisations, trying to intrude into banking and using unjustifiable tactics against the banks and their staff associations. The Midland Bank figures prominently in the battles down the years. Its chairman referred to NUBE about 50 years ago as this "serpent in our midst."



Left, Mr. Leif Mills of NUBE; centre, Mr. Claude Smith of the Midland staff association; and right, Mr. Clive Jenkins

Opponent

From the start, the banks actively encouraged the formation of their own individual staff associations and gave them essential financial support. Up until the second World War — or maybe even until the early 1960s — bank staffs appeared to be so proud of their status in society that they were horrified at the thought of being represented by a real trade union, which many of them automatically associated with alien socialist or even communist beliefs. But times and attitudes change, especially in regard to white collar unionism, and eventually after intervention by the International Labour Office and by a government-ordered court of inquiry, national joint negotiating machinery for the clearing banks was set up in 1968.

This meant that for the first time in its history NUBE had full national negotiation and negotiating rights. But it had to share these with the staff associations which had originally been formed to kill it off. The last banks to fall into line and accept NUBE and the national machinery was the Midland Bank and its staff association led by Mr. Claud Smith, general-secretary, who has been a lifelong bitter opponent of NUBE.

Of all the associations, the Midland still has the closest links with its bank, which pays Mr. Smith's salary. It also has more difficulty than the other bank staff associations in persuading the Registrar of Trade Unions that it was sufficiently independant of its employer to qualify for registration under the IRA. Eventually it raised £20,000 from a merchant bank to satisfy the Registrar that it had sufficient funds in reserve to survive if the bank withdrew its financial support.

The negotiating machinery set up in 1968 has been dogged by constant rivalry between the associations and NUBE. In 1968 and 1969 the clearing banks themselves formed the Federation of London Clearing Bank Employers. The Staff Associations created the Council of Bank Staff Associations which, together with NUBE, forms the staff side of a national negotiating council.

Friction

Throughout, the associations have controlled the staff side because they have more members than NUBE; and this has led to constant friction. At the end of last year, the associations' Council dominated the staff side with 73,000 members compared with NUBE's 66,000.

It was this continuation of the 50-year-old preoccupation of NUBE and the Association with sniping and fighting against each other that allowed Mr. Jenkins to march through the middle to the Midland, where Mr. Claud Smith was waiting. Over the years Mr. Smith has been regarded as a stern opponent of anything to do with the TUC. So he has stunned some of his fellow general secretaries in the other staff associations, first with his secret courtship of ASTMS, and second by the fact that he is coming to Blackpool on Thursday for Mr. Jenkins's formal announcement of the merger proposal between his Association and ASTMS. He may even be formally welcomed by Mr. Feather. In fact, the Midland Association's traditional anti-pathy towards NUBE makes all this less surprising, because of the damage that ASTMS could do to NUBE.

Complaint

Mr. Smith's main complaint is aimed at the national negotiating machinery. He claims that Midland staff were better off when he negotiated for them alone with Midland management. This claim is rejected by other staff and management representatives in the banks, although there is no doubt that the Midland staff were well paid prior to 1968 and that some have inevitably lost out because the banks' old domestic salary scales have been changed under a national job evaluation scheme.

By moving in on the Miland, ASTMS has picked on the smallest—if not the weakest—of the big Staff Associations. The Midland Association has only 10,000 members, which is 1,600 down over the last four years, compared with Staff Association membership in the other banks of 22,500 in Barclays (up from 15,000 four years ago), 24,000 in National Westminster and 17,000 in Lloyds.

Now the Midland Association members are to be ballotted on whether they want to join ASTMS. In the background will be the regular argument heard in banking and other white collar spheres of whether staff are best looked after by their own internal representatives (like a staff association negotiating direct with management) or by outsiders.

Autonomy

This argument has even led some NUBE members to complain about the union's recent moves outside clearing banks into other financial institutions, which they regard as reducing the union's effectiveness as a solely banking organisation.

ASTMS seems likely to get round this problem by offering the Midland Association considerable autonomy so that it is virtually able to exist as a separate entity in day-to-day business. Judging by Mr. Smith's past policies, it also seems likely that he is hoping that he will be able to rid himself of the banking national machinery and negotiate independently with his bank in the way he did prior to 1968.

But there could be problems here. First, to be a member of the Association's Council a staff association must be registered, which ASTMS is not, and there do not appear to be any plans as yet to leave the Midland Association as a registered section of the non-registered ASTMS. Under the present negotiating machinery, however, only a member of the Association's Council and NUBE can take part in the national negotiations.

Militant

ASTMS could therefore find it difficult to obtain the status it needs, especially if, as seems quite likely, the Midland and the banking employers' federation refuse individual recognition. Midland staff association members have never staged industrial action, and even if they voted to merge with ASTMS seem unlikely to be willing to do so now.

But whatever happens, it is clear that ASTMS has achieved a major coup by getting this far with one of the most traditional staff organisations in the business. It is undoubtedly a feather in the cap for Mr. Jenkins, whose union can increasingly claim to be a significant force in city centre such as London, Liverpool and Birmingham, where it has gained recognition in businesses such as insurance companies (where it claims 50,000 members), building societies, shipping offices, together with a couple of foreign banks and expected new acquisitions in the unit trust field. Mr. Jenkins argues quite logically that all these businesses form a "common labour market" with the clearing banks.

Labour News

EPTU leaders to meet over Chrysler

BY ROY ROGERS, LABOUR CORRESPONDENT

NATIONAL OFFICERS of the Electrical and Plumbing Trade Union will meet shop stewards from all Chrysler U.K. plants this week-end to consider how to support 156 electricians at the company's Coventry plants who have been on strike for the past month over a pay dispute.

They will decide whether to call out electricians at the other plants, although this need not mean immediate disruption provided other workers continue to cross the picket lines (as is being shown in Coventry).

EPTU leaders are also assessing the scope for spreading the dispute to Chrysler's suppliers, but Mr. Frank Chapple, EPTU president, said yesterday that the union was anxious to avoid forcing Chrysler into continuing to rely on imported components after the dispute is settled.

No support

The Coventry strikers want £250 a year increases, but the Pay Board says these will breach Government limits by £65 a year. The strikers are receiving no support from other Coventry workers, who last week accepted their union leaders' instructions to work normally.

Yesterday Mr. Chapple sent letters to leaders of the Transport and General Workers Union and Amalgamated Union of Engineering Workers, complaining of their action in condoning the alleged use by the company of "blackleg" labour to do the striking electricians' work.

The decision to write these letters was taken at an executive meeting in Blackpool, which also decided to double the dispute benefit for the strikers to £8 a week.

Militant AUEW shop stewards from the company's Linwood plant yesterday lobbied their leaders at the TUC Congress in Blackpool, asking them to reverse an instruction to Chrysler workers to work normally during the dispute.

They were told by Mr. Hugh Scanlon, AUEW president, that the executive decision was taken in the light of Mr. Chapple's statement that the strike would be called off, if the company offered to pay the £250 but was prevented by a Pay Board order. He argued that the EPTU was therefore not opposing the Government's wages policy by this strike.

At the company's Linwood plant production began returning to normal last night following an earlier shortage of engines from the Coventry plant. By to-day about 3,500 of the 4,400 made idle by the shortages will have been recalled. Production continues at near normal levels at Coventry.

Peter Cartwright writes that the deadlock in a pay strike by 450 maintenance workers of Wilmot Breeden in Birmingham, which has closed all five factories and caused the 3,000 production force to be laid off, is continuing. When the strikers meet on Friday their shop stewards will recommend that they stay out.

Offer raised

The strikers are demanding that the pay gap of £13-£18, with skilled production workers earning up to £60 a week, should be substantially closed. In April they received the maximum of £2.21 under the Government's £1 plus 4 per cent. formula, as well as substantial improvements in pensions, life assurance, redundancy pay and future holidays.

Since then the company has increased its offer of £3.50 a week to £5.00, to be paid when legislation permits, subject to an immediate resumption. This also has been rejected, as has a proposal to set up a joint committee to study the pay structure with a view to relating earnings of indirect employees, like maintenance workers, to the performance of pieceworkers whom they serve.

Wilmot Breeden produces a wide range of locks, window winding mechanisms and other items for the motor industry. Since stocks are generally good, repercussions of the strike are not expected to be felt for several days.

Union row looms over dismissal of officer

AN INTERNAL ROW looms in the Electrical and Plumbing Trades Union officer the dismissal of national officer, Mr. Mark Young, writes Roy Rogers.

Mr. Young's five-year term as an elected officer ended in July and the Union Executive, which now appoints national officers following rule changes made 1969, has refused to reappoint him.

He is understood to be returning home early from holiday in Cyprus because of the move, which relegates him to the position of merely a member of the union. Unless he can appeal successfully against the decision he will have to seek another job.

Mr. Young, whose main responsibility was as secretary of the trade union side of the Civil Air Transport Industry's Joint Negotiating machinery, was runner-up to Mr. Frank Chapple in a ballot for the EPTU presidency last year. He is expected to be amo ngthe main contenders for Mr. Chapple's former post of General Secretary, if the executive decides it still needs one.

There is some doubt over the post continuing to exist, especially if merger talks between the EPTU and the General and Municipal Workers Union make progress.

No specific reasons for Mr. Young's removal have been disclosed as yet, other than the completion of his elected term, but there is speculation among some EPTU members that the decision may well be tied up with personality clashes between Mr. Young and some executive members.

Other Labour news, Page 14

Heath firm against 'wicked men' behind bomb attacks

BY JOHN BOURNE, LOBBY EDITOR

A FIRM STAND against the perpetrators of the bombings in Britain was made by the Prime Minister last night. He added that he could not tell the people whether they had yet seen the end of these attacks: "We cannot be sure how much damage and suffering may yet be caused."

Speaking in Gravesend, Mr. Heath said that if the IRA did have some hand in the bombings—and he could not exclude other possibilities—"It is difficult to see what they hope to gain. They may think they can produce in Britain an overwhelming demand for the withdrawal of our army from N. Ireland. If so, the bombings have failed in their purpose, and will continue to fail.

"There has been no such demand, and so far as I can judge there will not be. If that was their aim the results must already be a bitter disappointment to the wicked men who have conspired to commit these crimes. They have mistaken the nature of the people with whom they have to deal."

Mr. Heath said that the great majority of the British people saw clearly what was at stake in these acts of violence, whether committed in N. Ireland or in other parts of the U.K.

Repudiated

"The question at stake is whether a group of men should be able to achieve by violence the authority which over and over again has been denied to them by the free vote of their fellow countrymen. They have been repudiated by the majority of those in N. Ireland. They have been repudiated by the people and government of the Republic of Ireland. They are increasingly hateful even to that part of the Catholic minority in N. Ireland from which they used to draw their strength."

Political issues and arguments were resolved by the ballot box. Everyone accepted this. "From time to time enemies of this country have made a mistake about this. They have believed they could exploit our political divisions to foist upon us an alien philosophy; the same mistake is being made to-day.

"For nothing is more alien to our ideas than the concept that a small group should gain through the bullet and the bomb the success which has always been denied them through the ballot box.

"We shall relentlessly pursue and hunt down those who are responsible for violence in every part of the U.K. Equally important, as a government and as a people we have now made it clear to these desperate men that, whatever devices they resort to, they will not be allowed to prevail."

Ulster: Dublin Cabinet meets on 'Irish dimension'

BY DOMINICK J. COYLE

DUBLIN, Sept. 4.

THE GENERAL framework of the Dublin Government's negotiating position with Whitehall and the Northern Ireland political parties on the so-called "Irish dimension" to an Ulster settlement is being determined at a special two-day Cabinet meeting which started here this morning.

It is expected to be following within the next few weeks by a series of top-level Anglo-Irish exchanges which could include a further meeting in London between Mr. Edward Heath and Mr. Liam Cosgrave, the Irish Prime Minister. The two last met on July 2.

The Littlejohn "spy" case created some considerable strains in relations between the two capitals.

It now appears both Governments are anxious to put that episode behind them and initiate definitive discussions on the proposed Council of Ireland, mentioned in the British White Paper on the North published in March.

The Government here sees such a Council, which would associate Dublin directly with the new Northern Executive in Belfast, as giving tangible expression to the "Irish dimension" without undermining the constitutional status of the North as an integral part of the United Kingdom.

A special inter-departmental unit comprising senior officials from key Government departments here, has prepared a series of reports dealing with the proposed Council and other aspects of the Ulster problem. Those have gone before the special Cabinet meeting.

Specific

A formal statement announcing the extended Government meeting—planned as the first of a series—did not make any reference to the specific topics under review, although it is known that Northern Ireland and Anglo-Irish relations are high on the agenda.

Ministers are also considering a broad range of other policy matters and "long-term perspectives" not connected with the North.

It is expected here that Whitehall will soon implement its White Paper undertaking to invite th eDublin Government and "leaders of the elected representatives of Northern Ireland opinion" to a special conference on Ulster.

London, however, would still prefer such a meeting to take place after a power-sharing executive has been formed in Belfast.

The Cosgrave Government now fully supports the seemingly firm decision of the Social Democratic and Labour Party in the North not to commit itself to participating in such an executive until other important issues, including the proposed Council of Ireland, have progressed.

The Dublin-SDLP attitude is, however, capable of some compromise. Irish Ministers are suggesting that talks on the formation of the executive, and discussions on the Council and police "reform" in the North (on which the SDLP is also insisting), could be advanced simultaneously.

N. Atlantic charter traffic up

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CHARTER TRAFFIC on the North Atlantic air route appears to be booming, at the expense of scheduled air services.

Figures issued by the International Air Transport Association show that in June, customarily one of the busiest months of the year, charter passengers carried by the IATA airlines rose by 34 per cent. to reach 154,421.

Scheduled passenger traffic, however, rose by only 3.2 per cent. to reach 999,461, despite an increase of 11 per cent. in the number of seats offered on scheduled services, at 1.7m. As a result, the scheduled load factor fell back by 4.9 points to just over 60 per cent.

For the first six months of the year, scheduled service passengers have risen by 11.7 per cent. to 4.25m., while IATA charter passengers have risen by 36 per cent. to 661,224.

The figures reflect the efforts the IATA airlines are making to beat the independent charter operators at their own game, but which are also taking traffic away from scheduled flights.

It is for this reason that some airlines, notably British Airways, will be pressing at forthcoming fares talks in Nice for the extension to scheduled services of cheap fares currently available on charter flights—such as the Advanced Purchase Excursion (APEX) fares, which would match the cheap Advanced Booking Charter (ABC) rates now available.

Merger costs £½m.—Marking

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. HENRY MARKING, managing director of British Airways, denied yesterday that the cost of merging BOAC and BEA would be as much as £5m.—in terms of money spent on painting new colours on aircraft, buying new stationery and other items.

"Our estimate of the cost of changing to the new design style is a maximum of half a million pounds, as the new style is being introduced almost entirely when existing items fall due for replacement or normal maintenance.

"As against this comparatively small expenditure, the benefits we expect are great.

"We are planning for a financial improvement of up to £50m. a year by 1977-78. This improvement, by combining the airlines, will come from such things as higher load factors (£20m.); £4m. from joint route planning; £3m. from centralising previously separate activities; £6m. from increased selling strength from the single brand name; and £10m. from improved productivity."

COMPANY NEWS + COMMENT

Dexion-Comino recovery: 4% interim

AN IMPROVEMENT in Dexion-Comino International first-half profits, up from £351,000 to £882,000, should be maintained in the second six months, says chairman Mr. D. Comino, and the figures for the full year to October 31, 1973, are likely to exceed the previous best year's profit level.

In particular there are grounds for expecting considerable improvements in France, the U.S. and Australia, while U.K. and Germany remain very buoyant.

An interim dividend of 0.28p net, equal to 4 per cent. gross, is declared. Last payment was a 9 per cent. final for 1969-70. For the full year to October 31, 1972, the group made a pre-tax profit of £875,000.

Mr. Comino attributes the improved results to the economic situation in European markets and the reduction or elimination of loss making activities.

	Half-year to April 30 1973 £000	1972 £000
Turnover*	[illegible]	14,861
Trading surplus	1,057	532
Interest paid	192	180
Share associates	18	71
Profit before tax	882	351
Group tax	451	181
Associated Co. tax	3	—
Profit after tax	428	170
Minorities	—	19
Unrealised exchange gains	357	31
Extraordinary loss*	—	122
Attributable	786	60
Preference dividends	13	18
Ordinary dividends	77	—
To reserves	696	42†

† Loss. * All figures exclude Dexion-Buettner, disposed of as from October 31, 1972. That company's loss for half-year to April 1972 shown as an extraordinary item, on same basis as adopted for full year.

The group makes storage and material handling equipment.

● comment

Accentuated movements in stock levels and stock turnover ratios at different levels of economic activity make the materials handling equipment industry highly vulnerable to cyclical fluctuations. The trend is now firmly up, as shown by Dexion Comino's 50 per cent. pre-tax jump in profits on a sales increase of a quarter. Assuming that the second half contributes around 60 per cent. of profits, as has been the case in "normal" years in the past, then £2m. could be on the cards, for a prospective p/e of 7.7 at 27½p. However the spectre of 1971 remains something of a damper on the prospect of a re-rating for Dexion.

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Provident Clothing up £0.8m.

FIRST HALF pre-tax profit of the Provident Clothing and Supply Company rose by £0.8m. to £3.05m. and the directors are confident the 1973 outcome will again be a record, satisfactorily exceeding the £6.95m. of 1972.

Meanwhile, the interim dividend is effectively rounded up from 7.2 per cent. to 7.5 per cent. gross—1.3125p net. Previous total was equal to 21.6 per cent., adjusting for a scrip.

Expanding turnover and a growing contribution from the activities of The People's Bank have more than compensated for the increased cost of money, the directors report.

Rising rates for the cost of money have become an increasing problem and unless there is an early return to more acceptable levels, these additional costs will have to be passed on to customers, they add.

	Half year 1973 £	1972 £
Profit	3,046,000	2,254,000
Taxation	1,371,000	901,000
Net profit	1,675,000	1,353,000
Dividend	870,310	893,808

See Lex

Brocks aims for 50% total

SECURITY ALARM and timeclock specialist, Brocks Group, aims to pay dividends totalling 50 per cent. for this year, if allowable, say the directors in reporting a higher pre-tax profit of £672,390 against £510,382 for the first six months.

Turnover is £3,189,065 compared with £2,441,508. Taxation will be small, the directors add.

The 1972 comparison figures include six months from International Time Recording, of which four months were pre-acquisition.

The net interim dividend is 10.5 per cent., equal to 15 per cent. gross and a final of 24.5 per cent. net (35 per cent. gross) is proposed if allowable. For the 18 months ended December 31, 1972 dividends totalled 53.5 per cent. on a pre-tax profit of £1,017,395.

● comment

Brocks's pre-tax profits are 31 per cent. ahead, the growth has been spread right across the group, and the prospect for the year may be profits of £1.2m.—with the current half proving a little unseasonal in the growing marine division. With the shares at 97p, that points to a fully-taxed prospective p/e of 12.8 net—five points less on present rates—and a solid base for the shares at this stage in Brocks's evolution. The time recording business looks solid enough and alarm sales are in a comfortable uptrend. But the real potential lies in marine electronics—bargain-priced echo-sounders and radar—and in a new car radio which will absorb the production of the extra factory at Poole and which Lucas is about to market.

Revertex first half upsurge

FIRST HALF turnover of Revertex, the specialist chemicals group, has risen by 34 per cent. to £10.4m., taxable profit by 91 per cent. to £656,000, and the attributable balance, after estimated 50 per cent. tax, by 36 per cent to £258,000.

The interim dividend is lifted from 7½ per cent. to 8 per cent. gross—1.4p per 25p share net, absorbing £118,800. Total for the previous 15 months was 25 per cent., equal to 20 per cent. per annum, paid from pre-tax profits of £995,000. For comparative purposes, profit for the 12 months to December 31, 1972 is given — at £825,000.

In his interim statement, Dr. Ernest Brookman, the chairman, points out that the 1972 six months includes the period October 1, 1971 to December 31, 1971 for which Harlow Chemical sales were consolidated.

And, since the second quarter of the calendar year usually shows the best results, sales for the second six months of 1973 can be expected to be below those for the first for purely seasonal reasons.

The figures are after charging an exceptional loss on rubber trading of £200,000 and after providing a further £250,000 to cover possible further losses.

These "serious" figures arise from the "violent" increase in rubber prices, explains the chairman. They could have been higher but action by the Board, through Revertex Sales, has contained the situation

Results also make allowance for the increased cost (not yet recovered in increased prices) of styrene—one of the major raw materials used by Doverstrand—and Dr. Brookman reports that the group is now assured of adequate supplies for 1973. He also has confidence that requirements of raw materials can be secured for 1974.

The chairman concludes — "Despite considerable uncertainty about the state of the U.K. economy, I believe that prospects for the year as a whole look sound for Revertex and I have no reason to do other than confirm that profits for the year should be higher than any of those for the last few years."

	Half year 1973 £000	1972 £000	12 months 1972 £000
Turnover	10,398	7,761	14,316
Trading profit	891	[illegible]	1,587
Depreciation	318	251	507
Balance	573	425	980
Invest. income	*2	22	18
Shares associates	243	65	158
Making	814	512	1,156
Interest payable	158	169	341
Profit	656	343	825
Est. tax	328	157	381
Net profit	[illegible]	206	444
Minority	70	17	[illegible]
Attributable	258	189	363

* Debit.

● comment

Revertex's margin improvement of almost two points to 6.3 per cent. in the first half of the current year shows the effects of volume on a capital-intensive industry. Moreover the pre-tax figure is arrived at after charging £450,000 for losses and provisions against fluctuations in the rubber market. The commodity picture continues to be an unknown factor in second-half projections but Revertex has now considerably strengthened its rubber buying management. On a doubling of first-half profits, the prospective net p/e at 65p is around 10.

Profit lift for Nurdin & Peacock

ANNOUNCING a pre-tax profit raised from £282,437 to £339,025 for the half year, cash and carry wholesalers Nurdin and Peacock forecasts that sales and profits for the full year 1973 should again show a substantial increase on the assumption that Phase III will not be more restrictive to the company.

Sales in the second half to date are already more than 18 per cent. ahead over the comparable period, the Board states — and members are reminded that the second half is normally well in excess of the first.

The interim dividend is 0.695p net, equal to 0.993p (0.95p) gross. In 1972 dividends totalled 2.27857p gross on a pre-tax profit of £1.2m.

Turnover for the first half is up from £30.77m. to £34.39m. but the figures are not comparable — those for 1972 and the first quarter of this year were inclusive of purchase tax, while those since April 1 are exclusive of VAT.

Taxation takes £135,610 (£112,975) to leave a net profit of £203,415 (£169,462).

● comment

With its share price almost halved this year, Nurdin and Peacock no longer enjoys the growth reputation that it boasted a year or so back; sales growth over the past three six-monthly periods has been 24 per cent., 18 per cent. and now 16 per cent. even taking the adjusted figure over a period in which N. and P. has been expanding fast in terms of selling space. True, profits have advanced by a better-than average 20 per cent. in the first half of 1973, but the comparable period was exceptionally depressed by the weight of new openings. For the future N. and P. should continue to expand at a rate dependent on new openings—which at the moment are hard to come by, given size requirements. So while the company can no longer be regarded as a high-flyer, its potential growth should mean that the shares at 66p on a net 12½p/e (on past 12 months earnings) have almost reached bottom.

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Crouch sees upturn

Without undue optimism, the chairman of the Crouch Group of builders and developers, Mr. R. E. Aris, considers current-year profits will satisfactorily exceed those of 1972-73 excluding the proceeds of the £200,000 contract claim in that year.

As reported on July 17 at the time of the successful fight against a take-over bid by Metropolitan Property Holdings, pre-tax profit for the year ended March 31, 1973, was £1,047,634 (£577,644) with a dividend of 20 per cent. (15½ per cent.).

A February valuation of properties held as fixed assets, other than those in the Republic of Ireland, disclosed a surplus of £900,000 over book. Meeting, Surbiton, September 28, noon.

Chairman's statement Page 11

Two 51-ft-diameter flotation spheres—one of which is pictured here under construction at Motherwell Bridge, Leith, are to be attached to the legs of the four production platforms to be installed over the Forties Field. The spheres are designed to maintain stability during the installation of the platforms.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corre-sponding div. %	Total for year %	Total last year %
Brocks Group	int.15(n)	Sept. 7	10	—	53.5(o)
EC Cases int.	7½	Oct. 13	7½*	—	15*
Dexion-Comino Intl. int.	4(c)	Nov. 1	Nil	—	Nil
Decca	8.55†(g)	Dec. 10	8	11.55	11
Imperial Metal int.	6.07(d)	Oct. 9	5.5	—	12.5
James Garnar int.	5(j)	Oct. 18	3.2*	—	10.1*
Merchants Trust int.	0.62†§	Sept. 14	0.88	—	2
Nurdin and Peacock int.	0.99†(k)	Oct. 12	0.95	—	2.28
Pennine Motor int.	5.25(h)	Sept. 28	5*	—	15*
Provident Clothing int.	7.5(p)	Oct. 26	7.2*	—	21.6*
Raybeck	22.4(r)	Oct. 27	20.84*	32.81	31.25*
Revertex	int. 8(e)	Nov. 6	7½	—	25 (f)
Thos. Poole	†0.09(q)	—	0.13(f)	0.09	0.13(f)
Trident TV	17.5(m)	Oct. 24	16.66	26.25	25*
Westminster and Country	6.38(b)	Oct. 28	6	7.88	7.5

* Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and/or acquisition issue. § Net equal to last year's gross. (a) Gross of 1.56p. (b) Gross of 4.46 per cent. (c) Gross of 2.8 per cent. (d) Gross of 4.25 per cent. (e) Gross of 1.4p. (f) For 15 months. (g) Gross of 5.985p. (h) Gross of 3.675 per cent. (j) Gross of 3.5 per cent. (k) Gross of 0.695p. (m) Gross of 12.25 per cent. (n) Gross of 10.5 per cent. (o) For 18 months. (p) Gross of 1.3125p. (q) Gross of 0.065p.

Walter Duncan plans to float Alex. Lawrie

Walter Duncan and Goodricke is planning to float off its Alex Lawrie subsidiary, which has factoring, banking and property interests.

Lawrie's capital is being increased from £501,000 to £695,834 by the creation of 194,834 shares, of which 55,667 are to be issued to Mr. N. A. Grant, Lawrie's managing director. Up to 139,167 shares are to be issued to Banque Belge, the price in each case being 290p per share.

Duncan directors said the association with the bank will increase the ability to expand Lawrie by having access to substantial lines of credit. Ultimately, a listing will be sought for Lawrie shares, with another issue by way of "rights" to Duncan investors. Net proceeds of the initial issues, about £559,000, will be used partly to repay amounts owed by Lawrie to the group.

Because Mr. Grant is a director of the group, shareholders' approval will be sought for the issue to him of Lawrie shares.

Pennine Motor

Pre-tax profits for Yorkshire-based vehicle distributor agents and dealers Pennine Motor Group, are running at a rate "satisfactorily ahead" of last year, chairman Mr. P. R. Grimshawe told the annual meeting.

The figures were continuing to reflect benefits of integrating last year's acquisitions and organic developments and recent promotional campaigns, he added.

A gross interim dividend of 5.25 per cent. is declared. Last year's equivalent after adjusting for a scrip issue was five per cent. and the total 15 per cent.

No interim figures are being prepared at this stage because of current negotiations over the acquisition of a large private group, Mr. Grimshawe said. He hoped to announce details of the move later this week.

The group's shares were suspended at its request on July 23 pending details of the impending reorganisation.

TPG profit improvement

Group profits of Thomas Poole and Gladstone China, the craft and industrial investment group, reached £216,510 for the year ended March 31, 1973, compared with £60,464 for the 15 months ended March 31, 1972, and included £134,593 (£47,952) profit on sales of investments.

After group charges of £77,725 (£37,606), profit before taxation comes out at £138,785 (£22,858) which does not include £161,698 pre-acquisition profits from Strongpoint.

The directors are recommending a dividend of 0.093p gross—0.065p nett—the maximum permitted as confirmed by the Treasury. For the 15 months to March 31, 1972 dividend was 0.125p.

Earthenware and china manufacturers Alfred Clough, the main trading investment, recently announced doubled trading profits for the half-year to June 30, 1973 at £100,539. The chairman of Thomas Poole, Mr. A. F. Bartlett, expects results of Clough and other trading investments, subsidiaries and associated companies will make a satisfactory contribution to profits for the current year.

He also expects that the investment in Capital Radio—five per cent. of the equity—will substantially enhance both the balance sheet and profits in the foreseeable future.

Meeting, Park Lane, W1, Tuesday, October 16 at noon.

Patent Industrial

Reporting first half profit up from £5,000 to £22,000 before tax the directors of the Patent Industrial Group indicate a figure in excess of £44,000 for all of 1973.

Meanwhile they are to leave consideration of a dividend until the year's results are known. Last payment was a 2 per cent. interim for 1971.

Turnover for the six months reached £1.09m. against £0.8m. and trading profit was £61,000 compared with £31,000. Tax took £10,000 (£2,000).

With the exception of the tool division of Birmingham Tool and Gauge, where labour unrest caused it to lose money in the first quarter, the group showed improved earnings and the level of order intake is rising, the directors state.

Plans are in hand to house more adequately the operating companies on separate sites and at the same time reduce the high level of gearing the group has in terms of borrowed money.

The Soho Hill factory in Birmingham is being sold for £267,500.

Moves of operating companies must affect output of the companies concerned in the second half, but they are confident profit will show an improvement over the first half.

Good prospects for Redland

A FORECAST of higher profits in the current year comes from Lord Beeching, chairman of Redland.

In his annual statement he tells members that although an improvement as great as those shown for the last two years cannot be expected, prospects for 1973-74 are good.

The expectation of a substantial recovery in the waste treatment and disposal business, a material increase in the contribution from the sale of surplus property, and continued growth, "albeit at a lower rate," in other U.K. and overseas operations lead the chairman to expect a "worthwhile profit improvement."

In the year ended March 31, 1973, group sales at £117.72m. were 35 per cent. higher and pre-tax profits increased by 67 per cent. to £20.5m. Earnings per share rose by 79 per cent. helped by a reduced tax charge. With the exception of Redland Purle, all home divisions increased profits, as did all overseas companies. The overseas contribution to the after-tax income attributable to Redland remained almost unchanged at just under 40 per cent.

A geographical analysis of sales and attributable net profits—£8.43m. (£4.71m.)—shows (in per cent.):— U.K. 49.7 and 60.6; Europe 28.9 and 28.1; Australasia 17.5 and 10.5; rest of world 3.9 and 0.8.

As indicated in the chairman's last statement, the group has now embarked upon a programme for realising land and other property surplus to requirements. This made a material contribution to profits this year, and is expected to continue to do so for many years to come, says Lord Beeching.

A number of projects mentioned in earlier years are still under development or are reaching the first stages of commercial application.

Redland has authorised, or budgeted for future authorisation, capital expenditure amounting to some £15.86m. (£8.45m.) over the current and future years. At March 31, contracts had been placed for some £2.09m. (£578,000). In addition, the expenditure programme for overseas subsidiaries for 1973 totalled about £7.11m. (£1.89m.).

A share option scheme for senior executives is propo[sed]. Meeting 21 Tothill St., S[W1], September 27 at 12.15 p.m.

Raybeck produces peak £2.4m

THE much higher pro[fits] envisaged by the directors [of] Raybeck in January emerge[d as] a record £2,451,000 for the ye[ar] ended April 28, 1973—this repre[sents] an increase of £621,000 [over] 1971-72. Earnings per 10p sha[re] are shown to be up from 6.[…] to 7.98p.

Adjusting for a scrip issue t[he] dividend is raised from 3.13p [per] share to a gross equivalent 3.2[…] The final is 1.56p net—equal [to] 2.24p gross. But for the restr[ic]tions the dividend would ha[ve] been at least maintained on t[he] higher capital, members are to[ld].

	1972-73 £000	1971-72 £000
Sales	25,559	[illegible]
Profit	2,451	[illegible]
Taxation	1,029	[illegible]
Net profit	1,422	[illegible]

● comment

Raybeck continues to deliver t[he] goods—profits are 34 per c[ent.] higher after a first-half gain [of] 32 per cent.—but the market r[e]mains unimpressed: the shares [at] 69p (28 per cent. down on t[he] half-time level) are now on a [p/e] rating of 9.8. While there h[as] been little change in the 50/[50] split between manufacturing a[nd] retailing this time, there are pla[ns] to expand further into the lat[ter]. This increasing bias towards t[he] retail end seems a logical st[ep] for Raybeck to take to impro[ve] its status, but this may be a lo[ng] term process and in the meantim[e] it needs to maintain its str[ong] profits uptrend.

LONDON AND COUNTY SECURITIES

Consent has been received f[or] the change of name from Lond[on] and County Securities to Lond[on] and County Securities Group.

Cornwall Property

MANAGEMENT projections for Cornwall Property (Holdings) are targeted to achieve increased profit contributions from all divisions with parallel asset growth from the completion of property developments undertaken for retention, states chairman Mr. R. A. Shuck.

Results to date support the achievement of group targets and a further satisfactory year is projected, he adds.

As reported August 23 group profit, before tax, advanced to a record £2.64m. in the year ended March 31, 1973, compared with £1.64m. in 1971-72 and with a forecast of profits exceeding £2.1m.

An analysis of turnover—£21.44m. (£15.53m.)—and net income—£5.11m. (£3.29m.)—shows: rents receivable £2.06m. (£2.14m.) and £1.45m. (£1.48m.); property dealing £3.26m. (£3.06m.) and £1.19m. (£931,000); property development £842,000 and £159,000; banking and investment £900,000 (£752,000) and £481,000 (£220,000); retail trading £6.82m. (£5.83m.) and £507,000 (£424,000); fertiliser manufacture £1.76m. (£1.02m.) and £282,000 (£175,000); house building £5.21m. (£1.4m.) and £1.08m. (£196,000); brick and tile manufacture £583,000 (£468,000) and £135,000 (£94,000); miscellaneous nil (£431,000) and £6,000 loss (£4,000 profit). In 1971-72 only the figures for funeral undertaking were £483,000 and £133,000. Central expenses absorbed £173,000 (£361,000).

A revaluation of all land and buildings during the year threw up a surplus of £30.09m. over the the book value of £33.81m. Of the surplus £11.98m. has been added to the shareholders' fund. It is present policy to have a professional revaluation every third year.

At March 31 assets employed stood at £61.58m. (£43.72m.).

It is intended further to expand banking and investment operations and progressively to extend lending and related activities.

A share option scheme for executives and employees is proposed.

At August 24 J. H. Vavasseur and Co., its subsidiaries and a[sso]ciates, etc., were interested [in] 3.64m. Ordinary CPH sh[ares]. Meeting, Inn on the Park, [W1], September 27 at noon.

Chairman's statement Page [...]

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ISSUE NEWS

SHORT-TERM LOCAL LOANS

Arrangements have been co[m]pleted for the placing of the f[ol]lowing local authority loans.

City of Birmingham (£[…]), Chesterfield Corporation (£½m.), Preston Corporation (£½m.), Borough of Rawtenstall (£½m.), Leatherhead Urban District Council (£½m.), Mountain Ash Urban District Council (£½m.), Wigtown County Council (£½m.), Orkney County Council (£½m.), Abercarn Urban District Council (£½m.), Burgh of Dunbar (£½m.), and City of Bath (£½m.), are all issuing [1…] per cent. Bonds due Septem[ber] 11, 1974, at par.

S. G. Warburg placed t[he] Rawtenstall, Leatherhead a[nd] Abercarn bonds on the intro[duction] of Roberts Union Co[m]pany, the Wigtown bonds on t[he] introduction of Butler Till a[nd] the Orkney issue on the intro[duction] of London and We[st]minster (Sterling Brokers). T[he] Mountain Ash issue was intro[duced] and underwritten [by] Gillett Brothers Disco[unt], Gerrard and National Disco[unt] handled the Birmingham is[sue] while Butler Till placed t[he] Dunbar bonds.

Brokers to the other issue w[ere] de Zoete and Bevan to Bath, S[…] Loan and Mortgage to Pres[ton] and R. Nivison to Chesterfield.

COUNTER-INFLATION ACT 1973

The Treasury have given consent to the declaration by the following companies of dividends of the total amounts specified for the financial years ending on the specified dates:

Grand Central Investment Holdings Ltd.	London EC4	£97,863	31.12.72
Warren Tea Holdings Ltd.	London EC3	£114,059	31.12.72
Staplegreen Insurance Holdings Ltd.	London EC3	£767,118	31. 3.73
Negretti & Zambra Ltd.	London NW10	£64,655	31. 3.73
General Engineering Co (Radcliffe) Ltd.	Manchester	£59,800	31. 3.73
Reynards (Excavations) Ltd.	London W1	£4,938	30.11.73

Second half jump boosts Decca to record £15m.

SECOND HALF profits of Decca have expanded from £4.94m. to £9.84m., pushing up the total for the year ended March 31, 1973, to a record £15.08m.—more than double the £7.06m. reported for 1971-72.

When announcing the first half figures the directors indicated that the second-half result should be substantially greater than for the same 1971-72 period.

At the net attributable level profits emerge at £9.24m., compared with £3.86m., after adding £192,000 (deducting £339,000) in respect of changes in foreign exchange rates. On a per share basis earnings before those items are shown at 47.6p (23.6p) or at 48.6p (21.6p) after those items.

An analysis of the pre-tax profit shows that consumer goods (records, tapes, TV audio, etc.) contributed £9.85m. (£4.61m.); and capital goods (electronics, navigator radar, etc.) £5.23m. (£2.45m.).

Profits from consumer goods benefited from an improvement in the sales of the record division and from increased production of colour television receivers, the directors explain.

On the capital goods side both the navigator and radar divisions made higher profits than in any previous year.

Including exports of £24.3m. (£20.1m.) group turnover expanded from £81.8m. to £116.4m. An analysis shows: overseas, including direct exports, £58.6m. (£44.4m.) — consumer £29.29m. (£22.9m.) and capital £28.7m. (£21.5m.); and U.K. £57.8m. (£37.4m.) — consumer £39.1m. (£22.4m.) and capital £18.7m. (£15m.).

The group's profit margin for the purposes of Phase Two is based upon the year 1972-73. However, about one-half of the group's turnover is in overseas and export trade it is pointed out.

They report that the current year is progressing well with turnover and pre-tax profits for the first six months expected to be ahead of the corresponding 1972 period.

The 1972-73 dividend is the maximum permitted, being up from 11p to a gross equivalent 11.55p per 25p share. The final is 5.985p net—equal to 8.55p gross.

	1972-73 £000	1971-72 £000
Trading balance	19,540	11,243
Depreciation, etc.	3,898	2,738
Audit fees	140	138
Interest	1,333	1,221
Profit before tax	15,082	7,063
Taxation*	5,941	2,814
Net profit	9,141	4,249
Minorities	109	51
Special credit†	192	339‡
Attributable	9,224	3,859
Dividends	1,539	2,687
Forward	19,794	12,165

* Comprises U.K. tax, less DTR, £5,156,000 (£2,477,000), overseas tax £1,173,000 (£472,000), less investment grants 73,000 (£109,000) and prior year adjustments £342,000 (£26,000). † Net effect of changes in foreign exchange rates on net current assets. ‡ Debit.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—APV Holdings, Australian Agricultural, British Mohair Spinners, Carpets International, William Collins, Consolidated Diamond Mines of South West Africa, *Danish Bacon, De Beers Consolidated Mines, De Beers Industrial, Friedland Doggart, London United Investments, Sharpe and Fisher, Sun Alliance and London Insurance, Tharsis Sulphur and Copper.

Finals—Associated Dairies, City and Overseas Investment Trust, Dalgety, Fox's Biscuits, Gold and Base Metal Mines.

FUTURE DATES

Interims—

Breedon & Cloud Hill Lime Wks.	Sept. 11
British Printing Corpn.	*Sept. 7
Dickinson Robinson	Sept. 27
Oliver (George) (Footwear)	Sept. 21
Owen Owen	Sept. 13
Pearson Longman	Sept. 14
Pittard Group	Sept. 21
Portals	Sept. 11
Sheffield Twist Drill and Steel	Sept. 28
Sparrow (G. W.)	Sept. 13
Wilkinson Sword	Sept. 13
Finals—	
Halwins	Sept. 11

*Amended.

Y. J. LOVELL DEBENTURE

W. J. Lovell (Holdings), in a circular to the 7¾ per cent. Debenture stockholders states that the directors propose a change in the terms of the debenture trust deed in order that the group may utilise to a fuller extent its resources in the expansion of its house and commercial building activities.

It is proposed that interest be paid to holders at an increased rate of 8¼ per cent.

Good start by EGA

If trading continues at its present level the current year should be one of outstanding growth for EGA Holdings, states chairman Mr. F. A. Payne.

The year has made a good start, he reports, with turnover and profits for the first two months well up.

All companies have full order books but the present state of the economy, the growing shortage of essential raw materials and the uncertainty of what Phase Three has in store for U.K. companies makes forecasting very difficult, he adds.

As reported on August 15, pre-tax profit for the year to April 30, 1973 was £442,849 (£434,945) with a dividend of 4p (3.8p).

Analysis of group sales and profits shows Plastics Division—U.K. and overseas contributed £1,798,576 and £297,520 (£1,436,798 and £242,850); Engineering Division £1,395,870 and £108,263 (£1,230,594 and £165,795); Surgical Division £73,479 and £16,120 (£70,393 and £16,930); Holdings (Management, Investment and Rental Income) profit £20,946 (£29,830).

Group turnover increased by 20 per cent. but this was not reflected in increased profits due mainly to a severe setback by the Constructional Engineering Company, which began as a result of the builders' strike and continued for the major part of the year. It was not until the latter part of the year that this company was able to effect a turn round and, while the last quarter showed a very substantial recovery, it was not quite sufficient to wipe out its earlier losses, the chairman states.

However, at the present time, this company is operating profitably, has a full order book for the next five months, and with an increasing demand for its services is able to be more selective in the type of work undertaken.

Meeting, St. Asaph (Flintshire), September 20, at 2.30 p.m.

Beatties sales and profit up

FIRST-HALF SALES of James Beattie, retail department store owners, have expanded by 24 per cent. to £5,669,000 and net profits, before profit sharing, have advanced by 40 per cent. to £278,000.

Recalling his statement last May that, following the substantial increase in profits last year, it had been decided to pass some of the benefits back to customers through the application of lower margins, chairman Mr. James Beattie says he believes this decision is one of the factors which has contributed to the very considerable increase in sales.

It is too early to make any worthwhile forecast of the full year's results, he adds. Pre-tax profit for the year to January 31, 1973, was £1.33m.

Mr. Beattie reports that the new store at Sutton Coldfield is progressing according to plan. Directors hope to open this next spring, and the sixth store at Northampton the following year.

	Half-year 1973 £000	1972 £000
Sales	5,669	4,343
Profit	522	336
Tax	244	132
Net prft. before prft. shrg.	278	198

Hestair in hi-fi

Hestair is moving into the top quality end of the audio equipment market. Johnsons of Hendon—Hestair's technical leisure subsidiary—has obtained the exclusive U.K. rights to the Japanese Aiwa range, which includes cassette stereo recorders and decks, radio cassettes, in-car audio and eight-track systems.

The full range is to be marketed through Johnsons' photographic/audio dealer network and specialist hi-fi shops.

Initial selling-in is "excellent," says Johnsons' chairman Mr. Bob Nellist. Later this year it is proposed to launch more products—including colour TV sets and a less expensive range of Johnsons own-name cassette music systems.

IMI ahead by £3½m. in first half year

FROM EXTERNAL sales of £127.4m., against £93.6m., profits of Imperial Metal Industries have gone ahead by £3.5m. to £10.8m. in the first half of 1973.

The figures exclude profits on metal stocks and profits arising from the increase in value of net assets of overseas subsidiaries and associates due to changes in exchange rates, the directors point out. There was a profit on metal stocks before tax of £2.7m. in the first half (£0.2m.).

A net interim dividend of 4.25 per cent. is declared, equal to 6.07 per cent. gross (5.5 per cent.). The total for 1972 was 12.5 per cent., paid from profits of £16.8m. That figure excluded metal stocks profits of £0.3m.

	First-half 1973 £m.	1972 £m.
External sales	127.4	93.6
Profit	10.2	6.5
Depreciation charged	3.2	2.8
Share major associates	0.6	0.8
Profit before tax	10.8	7.3
Taxation*	4.5	3.5
Net profit	6.3	4.8
Minorities	0.6	0.5
Attributable	5.7	4.3

* Reduced by a credit of £0.2m. for investment grants (same).

IMI is a subsidiary of Imperial Chemical Industries.

See Lex

Benn Bros. development

The continued development of Benn Brothers' profitability is particularly satisfactory as it was achieved during a transitional period to a new divisional management structure, reports chairman Mr. E. Glanvill Benn.

As reported on August 17, the group showed a pre-tax profit of £467,000 (£303,000) for the year ended June 30, 1973, the dividend total is 18.375 per cent. (17.5 per cent.) and a one-for-one scrip is proposed.

Acquisitions were the former Walter King journals and directories for the gas industry and the Tolley tax publications. The benefits of the Walter King rationalisation will not reach the group until 1973-74 or possibly later, the chairman says, and the "undoubted rewards" from the Tolley group will also begin to flow in the current year.

Proceeds from the sale of Bouverie House, plus premiums from the assignment of leases of Bolt Court and the Streatham warehouse went as £300,000 to the Sir Ernest Benn Pension Fund and £1m. into short-term deposits. The balance of £678,000 was used to repay bank borrowings—overdrafts are down from £581,917 to £3,288—and for the provision of working capital.

By June 30, 1973, the amount on short-term deposits and tax deposits had risen to £1,175,000.

Proposals for a share option scheme for senior executives and a new share purchase scheme are being drawn up to replace the loan scheme discontinued following the Finance Acts 1972 and 1973.

MINING NEWS

RTZ gets yet another 1973 earnings boost

BY LESLIE PARKER, MINING EDITOR

AS A RESULT of the higher metal prices and the impact of the big Bougainville copper-gold operation Conzinc Riotinto of Australia, the 80.7 per cent. owned subsidiary of London's Rio Tinto-Zinc Corporation, reports earnings which at $36.5m. (£21m.) for the first half of 1973 are more than double the $15.25m. for the same period of last year when the 12-month figure reached $38.9m.

Yet another scrip issue is proposed. It is for one. An increased interim dividend of 5 cents against 3.5 cents is declared. Moreover, this interim will be paid on the capital as doubled by the scrip issue and it is expected to maintain the total 1973 dividend on the increased capital at not less than the 10 cents (5.76p) paid in recent years.

It is naturally forecast that CRA's total 1973 earnings will "greatly exceed" those for last year but it is added that actual results must necessarily depend on the *level of world metal prices* for the remainder of the period while any changes in currency parities could also have an effect to the extent that they are not protected by forward exchange contracts.

Only in the case of the Comalco aluminium offshoot is any mention made of the increased mining taxes brought in by the recent Australian Budget. The resultantly reduced profit from this source has been taken into account in CRA's half-year results. Yesterday Comalco announced that it has obtained a price increase, believed to be about 17 per cent., for its bauxite shipments to Japan.

The big jump in CRA profits is yet another pointer towards the good results that are expected from RTZ this year for which earnings estimates range up to 25p a share compared with 13.28p for 1972. Yet CRA were unchanged yesterday at 395p and RTZ fell 3p to 218p, a new 1973 low, an apt reflection of the present despondent mood in mining markets generally.

NO RAND LEASES RE-OPENING

South Africa's closed down gold mine Rand Leases says in the annual report that no recommendation for its reopening can be made. It is reckoned by the chairman, Mr. J. M. eyer, that an average price for gold of at least $135 an ounce would be necessary to provide a satisfactory return on the necessary investment to bring the property back into operation at a milling rate of 20,000 to 25,000 tons of ore a month which would give it a "reasonable working life in relation to the likely ore remaining in the mine."

Substantial additional capital would have to be raised. In the meantime, the company is continuing negotiations for the disposal of its freehold land but no further capital repayments are expected in the immediate future. Yesterday Rand Leases were unchanged at 33p.

COMINCO HITS ORE IN NWT

Canada's big mining house Cominco and the Vancouver company Bathurst Norsemines report that the final holes of this season's drilling programme on *the east Cleaver Lake zone* confirmed the presence of above-average grade mineralisation of substantial thickness.

Holes Nos. 5 and 6 showed substantial widths of sulphides, one hole assaying 12.24 per cent. zinc and lead and 4.17 ounces of silver a ton for 102 feet. Hole No. 7 had a 22.5-foot intersection with 2.4 dwts. of gold and 28.6 ounces of silver a ton.

The area concerned is in the Bathurst Inlet of the Northwest Territories and it is being probed by Cominco through an option agreement whereby it can acquire up to *6.5m.* Bathurst shares at prices ranging up to $1.25. Bathurst Norsemines are quoted in Vancouver at around $1. They have been up to $2.05 this year.

MOGUL PROFITS SPARKLE

Following on the good half-year results *from Dublin's Silvermines*, detailed here on August 2, come some bright earnings figures for the Canadian company International Mogul Mines. Both reflect *profits growth by Mogul of Ireland's* lead-zinc mines in Tipperary in which International Mogul has a 75 per cent. stake and Silvermines 25 per cent.

International Mogul's half-year net income of $4.02m. (£1.63m.) equals $1.54 a share and compares with $1.52m. or 58 cents a share in the same period of 1972.

Among the boosting factors mentioned by the president, Mr. F. G. Townsend, are that the Irish operation's throughput in the latest period did not suffer from last year's fire and labour problems while lead and zinc prices increased significantly, a trend that he expects to continue during the rest of 1973.

Drilling in Tipperary continues in efforts to extend the mine's life prospects. Some results are reckoned to be "encouraging." Silvermines shares have been slipping back lately. Yesterday they were 54p. International Mogul is spreading its wings in other directions including Australia. It raised fresh funds recently.

GOLD FIELDS IN PANCONTINENTAL

It was indicated in Sydney yesterday that the Consolidated Gold Fields group is making a tentative entry into the Northern Territory uranium prospects being *developed by Australia's Pancontinental Mining* in partnership with America's Getty Oil.

Pancontinental's chairman Mr. Tony Grey says that Gold Fields has purchased 0.85m. options from Air Navigators for 20 cents each, equivalent to 45 cents a share. Gold Fields has undertaken to keep its shareholding in Pancontinental below 15 per cent. so that the latter will not be classed as a foreign company. Mr. Grey says that "we are most pleased with this development."

Meanwhile, Pancontinental is pursuing its dry season field programme *with initial drilling* concentrated on probing for extensions of the Jabiluka orebody which remains open both to the east and west.

Approximately 60 uranium anomalies have been revealed in an airborne radiometric survey over Northern Territory areas involved in the company's joint venture with Western Nuclear Australia and Buka Minerals. A ground exploration programme is being set in motion. Pancontinental's prospecting expenditure in the June quarter (*excluding that spent by Getty Oil*) was a modest $12,813. In London yesterday the shares were 2p up at 26p.

MINING BRIEFS

PAHANG CONSOLIDATED—August: Lode tin concentrates produced 228 metric tons, sold 194 metric tons. (July: 197 metric tons and 194 metric tons, respectively).

COMPANY NEWS IN BRIEF

WARNFORD INVESTMENTS—Results year to December 23, 1972, reported August 2. Group turnover £1.22m. (£1.09m.). Fixed assets £6.50m. (£6.57m.). Associated companies £0.56m. (£0.57m.) Net current assets £282,143 (liabilities £63,736). Meeting, 20 Aldermanbury, E.C., October 2, at 3 p.m.

CHARLES H. BABER (ultimate holding company London and County Securities)—Net loss 15 months to March 31, 1973, £13,967 (profit £27,870 for 6 months) after charging £18,271 (nil) extraordinary items. To Preference dividend £3,000 (£1,500), forward £27,236 (£44,203 brought in).

BIMITS (building material distributors, etc.)—Results year to March 31, 1973, observations on prospects and details of intention to make direct property investments reported August 1. Net current assets £112,639 (£155,711). Net assets £193,961 (£141,073). Meeting 71 St. Mary Axe, E.C., September 25, at 11 a.m.

F. H. TOMKINS (buckles, bright drawn steel, nuts and bolts)—Results year to April 29, 1973, reported August 4. Group fixed assets £1.73m. (£1.43m.). Net current assets £1.04m. (£1.2m.). Chairman says only means of increasing profit is to considerably increase turnover. If *present state of trade continues this* should be possible providing necessary supplies of steel are obtained. Meeting Great Barr, September 25, noon.

NEW CENTRAL WITWATERSRAND AREAS—Results year to June 30, 1973, already known. Investments R1.85m. (R1.7m.), market value R6.23m. (R3.23m.). Net current liabilities R23,094 (R146,427). Meeting, Johannesburg, September 24.

AILSA INVESTMENT TRUST—Results year ended May 31, 1973 reported August 14, with net asset values. Hoped to at least maintain 19 per cent. dividend. During relatively short time since Sw.Franc loan was arranged, company's experience has been disappointing because of adverse exchange rate movements and of indifferent performance of the investment trade. Meeting, Glasgow, September 25 at 12.30 p.m.

METROPOLE INDUSTRIES—Results year to March 31, 1973, reported August 8. Breakdown of turnover and profit shows precision engineers £1,157,636 (£1,206,953) and £137,986 (£138,606); general engineers £621,317 (£606,605) and £32,216 (£30,490); photographic engineers £164,049 (£155,068) and £4,444 (£15,534). *Group fixed assets* £259,637 (£244,393). Net current assets £624,677 (£563,761). Meeting, 20 Aldermanbury, E.C., September 28, noon.

HOTEL YORK—Dividend 14 per cent. net, equal to 20 per cent. gross, for year 1972 (same). Profit £50,604 (£65,654) less tax £22,000 (£27,000), leaving net profit £28,604 (£38,654). Retained £5,427 (£8,464).

G. T. JAPAN INVESTMENT TRUST (made public May, 1972)—Net profit period May 31, 1972, to June 30, 1973, was £66,353 before tax £28,000. Dividend 0.35p per 25p share. Net assets per share 122p.

COHEN BROS. (ELECTRICAL)—Interim 1.05p net, equal to 1.5p gross (single payment 1.3p gross). Sales half year to June 30, 1973, £406,000 (£393,000). Profit £122,000 (£95,000) before tax £33,000 (£28,000). *Dividend cost £21,000. Board* confident improvement should be continued during rest of year. Subject to legislation, intend to *review* final dividend in light of such increase. Strong liquid position further improved.

JOHN JAMES GROUP OF COMPANIES (investment and finance, industrial)—Results for year ended March 31, 1973 reported August 10, with chairman's review and comments on prospects. Group fixed assets £1.56m. (£4.6m.) reflecting sale of Williams Furniture. Investments at valuation £6.74m. (£9.16m.), current assets £7.44m. (£8.01m.) and liabilities £4.15m. (£3.83m.). Meeting, Bristol, September 28, at noon.

SENNAH RUBBER COMPANY—Dividend 9 per cent. (4 per cent.) for 1972. Net profit £34,840 (£13,410) *after* tax £7,604 (£3,617). To dividend £34,600 (£24,000), forward £5,423 (£4,588). Meeting, Paris, September 26, at 11 a.m.

GLENDEVON INVESTMENT TRUST—Net revenue year to July 31, 1973, £293,722 (£272,496 for 12 months) before tax of £139,119 (£113,618). Available Ordinary £165,603 (£159,367). Final dividend 1.05p net, equal to 1.5p gross per 25p share making 3p (same) £168,161 (£147,000), forward ... Earnings per Ordinary 1.99p or 1.59p assuming full conversion of the "B" Ordinary then without taking into account the exercise of subscription rights). Net assets £12.54m. (£13.57m.). Net asset value per Ordinary and "B" Ordinary share 134p (135½p). "B" holders will receive a scrip issue in "B" shares equivalent in asset value to final and interim dividend—1.59p net (same)—for current year. Payment of dividends and "B" scrip issue are subject to the passing at the separate class meetings to be held on September 10, of the necessary resolutions to give effect to the proposed changes in the rights of the "B" Ordinary. Meeting, November 19, at 10.30 a.m.

CITY OF LONDON BREWERY AND INVESTMENT TRUST—Results for year to June 30, 1973 reported August 1. Quoted investments (at market value) £31.09m. (£33.32m.). Unquoted investments (at directors' valuation) £19,658 (£29,544). The 20 largest holdings total £11.58m., 37 per cent. of portfolio. Board confident that increased dividend can be maintained. Meeting, London Wall, E.C., September 26, at 11 a.m.

BIDS AND DEALS

Arbuthnot wins East & West

A FINAL twist in the protracted battle for control of East and West Investment Trust came last night when merchant banking group Arbuthnot Latham emerged victorious.

By marginally lifting its offer it has gained the acceptances of the rival faction headed by Mr. Percy Mathews' First National Industrial Trust.

The new AL terms are 32½ of its Ordinary shares for every 200 of East and West compared with the previous 31 shares. With the AL price down 5p to 395p last night this values each East and West Ordinary at 64p (against the previous terms worth 61p) and puts a price of £2.56m. on the whole trust.

AL director Mr. Trevor Dawson maintained the objective still would be to keep the East and West stock market quotation and its trustee status.

There was a large unquoted company which AL expected to be able to inject into East and West — thus enlarging its issued capital by around 40 per cent. and there were other deals in the pipeline. "We aim to build East and West up to a market capitalisation bigger than that of Arbuthnot Latham itself," he declared, "and we have sufficient clients to do this."

The AL offer — which was due to close yesterday — has now been extended to September 20.

Expansion by Birmid Qualcast

Birmid Qualcast has acquired the capital of R. F. Hill (Holdings) for £925,000 cash.

Hill is a Wolverhampton-based manufacturer of wooden and aluminium ladders selling principally under the brand name of Lion.

Net book value of tangible assets at March 31, 1973, were £459,000 and pre-tax profit for the year to that date £167,000.

ELLIS & EVERARD WARNING

In a further letter urging shareholders in Ellis and Everard to reject the Unilever bid, Mr. Anthony Everard says "We are concerned that Unilever in pursuance of its aims may attempt to buy shares in or outside the market at over the offer price. We most emphatically warn you against helping Unilever in this way by selling your shares to it."

Mr. Everard maintains that as Unilever has already spent £1.7m. on shares in Ellis "we are con*vinced that is not now going* to back away from the acquisition of your company. It follows that providing shareholders remain patient and loyal to each other Unilever will in due course offer an acceptable price."

OXLEY PRINTING BUYS JENNINGS

Oxley Printing Group has acquired C. E. Jennings (1910) of Bristol for £150,000 cash.

CCH LIFTS EWER STAKE

CCH Investment, hotels and brewing group headed by Mr. Gordon Currie, has raised its stake in coach operators and car distributors, George Ewer and Co., to 29.9 per cent. of the equity, or nearly 10 per cent. more than the 20.2 per cent. disclosed over a month ago.

Possible trading links between the two companies have been going on.

CCH describes its stake in Ewer as a trade investment, but the *size of the holding suggests* that if no agreement is reached with Ewer it might consider bidding for the coach operators. Mr. Currie said yesterday he did not feel there was a likelihood of such a stage being reached, but admitted that the holding did allow CCH to hedge its bets.

Mr. H. G. Ewer, chairman of Ewer, said discussions were still going on and his Board had examined CCH's ideas and carried out a feasibility study. Of the increase in CCH's holding, he commented that he was "not surprised," but felt that if CCH was *building up to a bid situation* it had a funny way of doing it since its purchases kept pushing up the Ewer share price.

Ewer's shares were unchasged at 42½p yesterdy, while CCH eased 1p to 123p.

BENJAMIN PRIEST

Full details of the acquisition, on terms worth a maximum £925,000, of Integrated Developments by Benjamin Priest and Sons (Holdings) have now been sent out.

They show that the holding in Priest by Robert Fraser and Partners, the merchant banking concern headed by Mr. Maxwell Joseph, now stands at 673,500 shares or 21.61 per cent.

Integrated forecasts pre-tax profits for the current year of not less than the £184,140 achieved in 1972. When preparing the forecast the directors took no account of licence agreements which are currently being negotiated, and, if completed should "substantially increase the profit."

Intl. Property acquires motor dealers

International Property Development's wholly owned subsidiary—Magenta Properties—has acquired Reid and Lee, Vauxhall-Bedford main dealers in Exeter district, from the Dutton-Forshaw Group.

Purchase price for the shares is £215,000 cash. Prior to completion Dutton received a dividend of £190,000 from Reid in respect of profits for the year 1972. In addition Dutton retained profits of Reid from January 1, 1973, to completion date.

As part of the transaction, Magenta has subscribed for cash at par £190,000 additional Ordinary capital.

Value of net tangible assets of Reid on completion was about £350,000 including properties at book value £205,000. Its pre-tax profit for 1972 was £45,494 excluding the Newton Abbot business which was transferred last July to South Devon Garages, a member of the Dutton Group.

Agreement in principle has been reached between Magenta and Pre-Divisional Investments—a private company in which Lionel P. Altman, a director of International Property, is a director and controlling shareholder—whereby Pre-Divisional will manage the motor business of Reid for three years in consideration of an annual management fee of £10,000.

Reid will grant a call option for three years in favour of Pre-Divisional to acquire Reid's motor business at net asset value at the time of exercise of the option. Similarly Pre-Divisional will grant Reid a put option to require Pre-Divisional to purchase the business on similar terms.

At the time it is proposed that either option be exercised, approval would be sought from International Property shareholders at a general meeting.

SHANDON SOUTHERN ACQUISITION

In a move aimed at strengthening market penetration of Scotland, Shandon Southern Instruments has acquired Glass Appliances of Aberdeen, which will continue to operate under its present name. Original products sold by Glass Appliances including laboratory chemicals and equipment and specialised laboratory glassware, will continue to be marketed by the company.

REDIFFUSION PURCHASES

International Library Services, the subsidiary of Rediffusion, which operates the music services of the group, has acquired the business carried on by the gramophone record shop, Henry Stave and Co., of Dean Street, London, W., which was in the hands of a receiver for the Debenture holders.

The acquisition also includes the businesses of two associated companies, Record Specialities Export and Derek Lawson.

GRAMPIAN EXPANDS

Grampian Holdings' main transport operating company, W. H. Malcolm, has expanded its waste disposal service by acquiring Tidysite. That concern, and the existing waste disposal services of Malcolm will together provide almost 400 skips serving Glasgow, Renfrewshire, Dumbartonshire, North Ayrshire and North Lanarkshire.

TDG IN HOLLAND

Etom NV (Europa Transport Ontwikkelings Maatschappij "Etom"), Dutch holding company owned by Transport Development Group, has acquired Jawico BV, a road haulage undertaking based at Pijnacker near The Hague.

The company, which operates 80 vehicles in the transport of bulk liquids, is one of the largest in the Netherlands specialising in the transport of chemicals by road. *Book value of the net assets is* approximately DFl.2.1m.

ADA HALIFAX

The offer of 12.5p in cash for each Ordinary share in Ada (Halifax) made on behalf of Philips Electronic Holdings became unconditional on August 28, by August 31 acceptances had been received from holders of 151.9m. shares (91.6 per cent.).

As announced the offer has been extended and is open until 3 p.m. on September 18. Ada directors continue strongly to recommend acceptance.

DARTMOUTH BUYS

Dartmouth Investments has acquired for cash the capital of R. H. Holmes and Company of Wolverhampton. The company will continue its operations in the industrial metal finishing field and provide a service to its sister companies in the Dartmouth Group. A gradual expansion of production facilities is planned to cope with external demand.

CHAS. HILL-KIRK

Resolutions to increase the authorised capital of Charles Hill, of Bristol, and to increase the permitted number of directors, have been duly approved. The Stock Exchange has granted a listing for the Ordinary shares to be issued under the offer for B. B. Kirk and the offer is now fully unconditional.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price p***	+ or −	Div. % or Amount	Times Covered	Gross Yield	P/E Ratio
♣	F.P.	—	£24¼	£21¾	BankAm'ricaCrp$3.125	£22½	......	$1.14	—	1.7	—
120	F.P.	—	137	135	Beazer (CH) 10p	132	......	b5.63	2.1	6.8	9.7
14	F.P.	—	16¼	14½	Budge Bros. 10p	15¼	−½	b12	1.7	8.0	10.6
‡‡	F.P.	—	69½	54	Clairmace (10p)	54	−2	y5.85	T1.7	9.3	6.4
♣	F.P.	—	£167⅞	£146¼	IBM (US$5)	£150	......	$5.2	—	1.2	—
51	F.P.	—	63	59	Jones Group (10p)	59	......	b31	1.6	5.2	11
40	F.P.	8/8	47	33	Lookers	42	......	b58	2.1	6.8	10.1
45p	F.P.	30/8	173	159	Sainsbury (J.)	168	+1	$x16	1.7	3.4	24.4
♣	F.P.	—	£12½	£11¼	TRW ($1.25)	£12¼	......	$1.01	—	2.8	—
18	F.P.	10/8	18	17½	Vantage Secs. (10p)	17½	......	d5.4	1.0	3.1	31.7
46	F.P.	—	56	49	Wearwell (5p)	58	+2	$6.2	1.7	6.2	13.3

FIXED INTEREST STOCKS

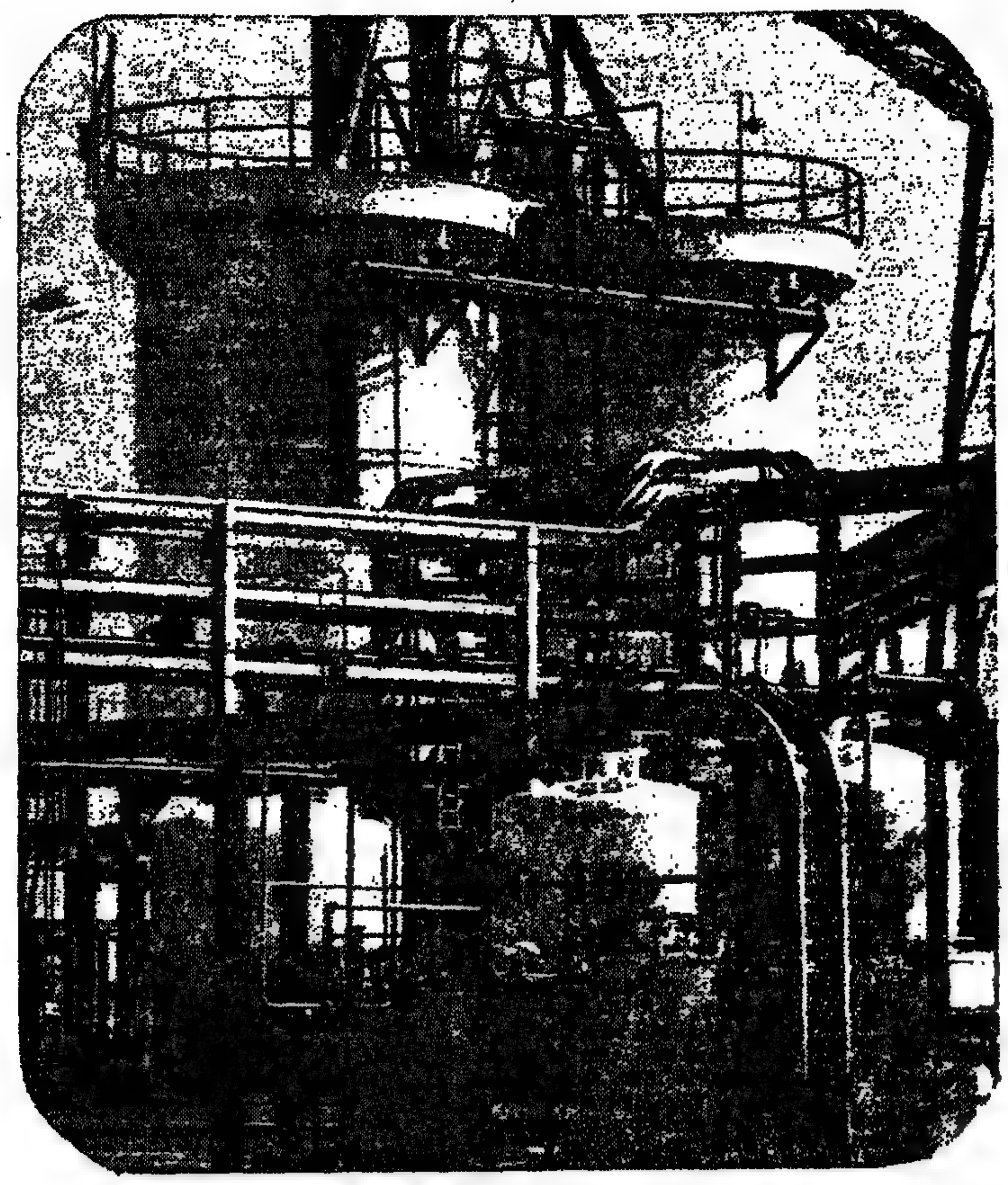
Issue Price	Amount Paid Up	Latest Renunc. Date	1973 High	1973 Low	Stock	Closing Price £	+ or −
‡‡	F.P.	—	72p	67p	Boulton (Wm.) 8½% Cum. Red. Prf.	67p	−3
‡‡	F.P.	—	97½	96	Carding Invs. 9½% Gtd. Cnv. Uns. 1993	96	......
‡‡	F.P.	24/8	94½	90	Grendon Trust 11% Uns. 79/81	90	−½
‡‡	F.P.	—	97	95	Lloyds Bank 7½% Cnv. Uns. Sub. Ln. 1994	96	−¾
‡‡	F.P.	—	91	90½	Midland Bank 10½% Sub. Ord. Uns. 93/98	90¾	......
‡‡	F.P.	—	94	91	Do. 7½% Cnv. Sub. Ord. Uns. 83/93	91	−1¼
‡‡	F.P.	—	88½	80	Notts. Man. 6¾% Conv. 93/98	80	......
£95	£10	—	9¼	8½	Rickm'nsw'th & Uxb'dge Water 7% Red. Prf '78	8½	......
£100	F.P.	—	98¼	79	Rolls-Royce Motors 8% Cnv. Uns Ln. 97/2002	79	−1½
♥	F.P.	—	102	94	Steel Bros 5½% NonCum Cnv 4th Pref 93/2003	94	......
♥	£25	—	30	26½	Tower Assets 10% Conv. Loan 1983	27½	−½
‡‡	F.P.	—	90	88	Ward White 8% Cnv. Uns. 89/93	88	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Dates †	Latest Renunc. Dates ‡	Stock	Closing Price p***	+ or −
A$1	nil	—	—	Argo Invs.	55pm	......
28	F.P.	—	—	Chambers & Fargus	nil	......
60	nil	—	—	Hammill Brick	4pm	......
25	F.P.	—	—	Lamont (James H.)	30	−1
50	nil	6/8	14/9	Oceana Cons.	50	......
60	F.P.	—	—	Rosedale Inds.	57	......
10	nil	—	—	Smith Holdings (Whitworth)	2pm	......
150	F.P.	—	—	Smurfit (J.)	150	−3
98	F.P.	—	—	Trust Bk. Africa	3pm	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. J Figures based on prospectus or official estimates for 1972. P Figures based on prospectus or other official estimates for 1971. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ※ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. $ With warrants.

Another big start in Palos (Spain).



The port of Palos on Spain's southwestern coast has been famous for a long time, ever since Christopher Columbus sailed from there in 1492 to discover America. There has been another big start there in the last few weeks — the start–up of a new chlorine plant by Aragonesas (Energía e Industrias Aragonesas, S. A.), Spain's leading electrochemical company.

Initial capacity of Aragonesas' new chlorine installation is 43,000 tns/year, which raises our total chlorine capacity in Spain over the 100,000 tns/year mark.

The Palos facility is the first stage of Aragonesas' major chemical complex in the Huelva area of Spain to come onstream and puts the company in optimum shape not only to supply the domestic Spanish market but also to compete successfully in the rapidly accelerating «Discovery of Europe» by Spain's chemical industry.

Aragonesas, with numerous customers already in the EEC, the United States and many other countries, was a pioneer in exporting basic chemicals from Spain, and has constantly sought to broaden its customer base. The new chlorine plant at Palos, together with the other new facilities which will come onstream there in the next few months, are the culmination of Aragonesas' 50 years of constant progress and expansion, and at the same time the start of a new and exciting phase of challenge and opportunity.

Columbus had faith in a vision, Aragonesas has faith in reality —the reality of its Palos complex.

ARAGONESAS, the future present.

ARAGONESAS

Energía e Industrias Aragonesas, S. A.
Avenida de Calvo Sotelo, 28-Madrid (Spain)-Telephone 4.19.46.00

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Swedish shipyards' £225m. investment

By John Walker

STOCKHOLM, Sept. 4.

FOUR OF the main Swedish shipyards are to invest about Kr.2,550m. (£225m.) in the next four to five years, the companies state. The largest single item will be spent by the Goteverken yard at Gothenburg which will amount to Kr.1,100m. between the turn of the year and 1978. This will include a new dock but it has not yet decided whether it will be built at the Arendal or Oresunds yard.

Uddevalla, the State-owned yard also in Gothenburg is to invest Kr.500m. (£50m.) in new facilities which will allow them to build ships up to 450,000 tons. It is expected that the yard will later extend its facilities to take construction of ships up to 700,000 tons which would put them in direct competition with Japanese yards.

Kockums is to invest Kr.700m. and the plans include the construction of facilities for 700,000 ton ships. Eriksberg is to invest Kr.700m.

The value of orders at the beginning of the year amounted to about Kr.14,000m. (£1,400m.) for the whole of the industry and makes Sweden the second largest shipbuilder in the world after Japan.

An increase in sales from £43m. to £48m. is reported by Kockums Mekaniska Verkstads Ab for the first six months of 1973.

Shipyard sales were about £31m., against £27m., and industrial orders rose to £17m. from about £15m. Among the company's new orders for the first half of this year were six 355,000 DWT tankers.

Increased sales by the industrial group were, in the main, due to improved conditions throughout the European forestry industry. Orders for the first six months of this year were well up on those for 1972.

Although shipyard sales were up by about £4m., this was lower than was anticipated, as a direct result of currency fluctuations.

● **Societe Internationale Pirelli** of Basle, the holding company grouping foreign subsidiaries of the **Pirelli-Dunlop** union, reports net profits of Sw.Fr.28.4m. (28.1) for the year ended June 30. A dividend of Sw.Fr.14 is to be paid (13).

● **Bethlehem Steel** has set up an affiliated company in Greece, **Bethlehem-Greek Mining**. Its activities will include mining exploitation and the establishment of plants for the processing of ores.

THE DUTCH SUGAR MERGER

Suiker Unie to discuss new cash bid for CSM

BY OUR OWN CORRESPONDENT

Amsterdam, Sept. 4.

THE BATTLE for Centrale Sulkermij (CSM) is open again, now that CSM accepted an invitation from Suiker Unie to begin consultations about a new Cash bid which it is preparing for CSM. This follows the withdrawal of the earlier Suiker Unie bid and the announcement to-day of a cash-bid combined with an invitation to CSM and the trade unions to have further consultations.

In view of these consultations Suiker Unie will not supply any details of the new bid. However Suiker Unie claims that the bid will be "essentially better" than the one from Koninklijke Scholten-Honig.

CSM's supervisory board Chairman J. De Wilde said at a Press Conference last week after the merger between CSM, Gist-Brocades and Meneba was called off, that CSM was rejecting the KSH bid as well as the earlier Suiker Unie bid, primarily in view of the "raid" character of the bids. He was prepared to talk to either of the two companies, "but only on another, more free and independent basis."

CSM will now give Suiker Unie the opportunity to state its intention but the company carefully pointed out that CSM would not change its earlier standpoint as far as independence went.

The new Suiker Unie bid is again aimed at an integration in the Dutch sugar industry. Suiker Unie and CSM are the only two sugar refiners in the country, with the former accounting for two-thirds of the overall Dutch production.

On the Amsterdam Stock Exchange CSM shares dropped Fls.40, from 1,000 to 960 following the announcement of the higher Suiker bid. KSH was a few guilders up. Bourse circles express doubts about a higher Suiker Unie bid for CSM. The KSH bid amounts to Fls.1,000 per share and the Bourse fears that the higher bid might cause Suiker Unie problems in respect of earning capacity.

Earlier the European Commission has asked for more information about the merger between Suiker Unie and CSM. It wished to establish whether market rules of free competition were likely to be infringed. Suiker Unie now says that the Commission's judgment can be expected *before Mid-December 1973.*

KSH said last night that there was no intention to change its bid in view of the Suiker Unie plans. The bid which KSH calculates to amount to Fls.1,050 per share or certificate CSM, expires September 7 and the group will announce on September 14 whether it will confirm the bid.

Germany to take bulk of the output of new Iran refinery

BY ANDREW HARGRAVE

FRANKFURT, Sept. 4.

THREE GERMAN companies involved in oil-refining and petrochemical activities have exchanged a "letter of understanding" with the National Iranian Oil Corporation to take the larger part of the output of a 25m.-tons-a-year oil refinery expected to be in operation in 1978.

The companies are the chemical subsidiary of Veba, Gelsenberg, and U. K. Wesseling, a subsidary of RWE, a major electricity undertaking. Veba is at present negotiating with the support of the Federal Government (which has a 40 per cent. stake in Veba) for the acquisition of RWE's 48 per cent. holding in Gelsenberg, with the aim of eventual control.

The £350m. refinery is likely to be built jointly by the German August Thyssen-Huette and the American Fluor Corporation. The proposed long-term deal with the Iranian Corporation, final details of which still have to be worked out, is part of a sustained effort by both the oil companies and the German Government to secure and spread future supplies.

Veba alone will have a refining capacity of 16.5m. tons by the end of this year, which is to be increased to 20m. tons within two years by the expansion of existing refineries, including one recently acquired. A further 5m. tons will be added later in the decade when the refinery planned for Brunsbuettel in Northern Germany is in operation.

Veba's most ambitious plan for a 10m. tons-a-year refinery and petro-chemical complex at Orsoy, on the lower Rhine, received a severe setback recently with the local planning committee's decision to reduce the land available for development to a third of its intended size.

Gelsenberg and U.K. Wesseling have refining capacity of about 17m. tons between them. About 30 per cent. of the former's supplies come from Libya, and although these are not expected to be jeopardised by the latest nationalisation decision, both Gelsenberg and other German companies are anxious to secure alternative supplies.

At present between 50 and 60 per cent. of Veba's own needs are met from Algeria and the Soviet Union. Combined, the three German companies have about a quarter of Germany's total refinery capacity, with the U.S. oil majors, BP and Wintershall, a subsidiary of the German chemical group BASF having the bulk of the rest.

The Veba-Gelsenberg merger, with the former as the "core," is a significant component in the Federal Government's long-term energy programme, the outlines of which were announced last week. To-day Dr. Hans Friedrichs, the Economics Minister, expressed the hope that talks for the acquisition of the RWE holding will shortly be concluded.

Chloride loan

THE CHLORIDE Group has borrowed $27m. (about £11m.) for seven years from a syndicate of British banks led by Samuel Montagu. The loan incorporates a multi-currency facility.

American real estate borrowings

By Mary Campbell

A number of U.S. real estate investment trusts are currently in the process of arranging stand-by agreements or roll over loans on the Eurodollar market.

According to market sources, Continental Illinois Realty has arranged a $50m. stand-by for one year with a syndicate led by Manufacturers Hanover and Diversified Mortgage Investors has arranged a five-year roll-over loan with a syndicate led by Merrill Lynch-Brown Shipley Bank with Jessup and Lamont.

Citizens and Southern is also believed to have arranged a $50m. one-year stand-by. Other similar deals are thought to bring the total of such borrowing and stand-bys to a much higher figure than these three alone would indicate — there are reports that a number are being arranged with one bank only on a completely private basis.

These loans and stand-bys are the main practical evidence so far of widely publicised squeeze conditions among New York banks, and also of interest rate differentials making it cheaper for U.S. companies to borrow in London than New York at present. Most of the deals with real estate trusts are related to the requirement that these institutions should back up the full value of their commercial paper issues in New York with unused bank credit lines.

Real estate investment trusts also appear to be particularly vulnerable to the U.S. squeeze because, since they are financial institutions, any squeeze on the banks shifts demand for funds to them.

Standard (Indiana) loan likely

By Mary Campbell

A VERY substantial note issue by Standard Oil Co. (Indiana) is in the offing according to widespread rumours in the Euromarkets. The exact amount involved is not known but it is believed to be in the region of $40-$50m. Market sources say that the proposed coupon level is 8¼ per cent.

Japan eases way for foreign listings on Tokyo exchange

TOKYO, Sep

JAPAN'S FINANCE MINISTRY has said that it will accept consolidated financial statements for the listing of foreign shares on the Tokyo Stock Exchange.

The move affects those foreign companies already using consolidated statements in accordance with the laws, regulations and traditional practices of the countries in which they are based, the Ministry said.

In line with its decision, the Ministry will revise existing regulations and ministerial orders governing the listing of foreign stocks by the end of the year.

At present, the Tokyo Exchange accepts only non-consolidated statements for listing purposes. It, too, is expected to revise its foreign stock listing rules, the Ministry said.

Leading securities companies said the Ministry's decision will clear the way for between 40 and 50 foreign concerns to list their stocks in Tokyo without the considerable expense involved in compiling non - consolidated statements.

In July this year the exchange decided to accept [...]cations for listing the st[...] foreign companies which agree to file non-consol[...] statements.

Six such companies already made a preli[...] approach to the exchang[...] the object of filing formal [...]cations later this year wh[...] exchange is expected to co[...] all procedural details, Sec[...] sources said. They include National City Corp, Genera[...] phone and Electronics Co[...] International, Dow Ch[...] Corp, First Chicago Corp a[...] Financiere de Paris et des Bas (Paribas).

First trading in foreign [...] on the Tokyo exchan[...] expected to start around [...]ber 1, it is understood. Reuter

Bigger TWA credit

NEW YORK, Sept. 4.

TRANS WORLD AIRLINES said it reached agreement with a group of 35 banks to expand to $300m. the amount of its revolving credit line and to extend the period during which credit is available.

Under the previous agreement, as re-negotiated in April 1972, TWA could borrow up to $250m. up to January 1, 1977. According to the new agreement, TWA can borrow up to $300m. up to January 1, 1978. Then the amount of available borrowings will decline by $25m. semi-annually until January 1, 1980 and then by $50m. semi-annually until termination on July 1, 1981.

The revolving credit is used as a standby credit arrangement for interim financing of capital needs, TWA said. The current amount outstanding under the agreement is $40m. Reuter

Matsushita in Spain

MATSUSHITA ELECTRIC Industrial Company has agreed to purchase an 80 per cent. interest in Anglo Espanola de Electricidad S.A., of Spain, from Lear Siegler Inc. of the U.S.

Matsushita officials declined to disclose the terms of the purchase.

The Spanish company, capitalised at Pts.70m. has a volume of $10m. a year. It makes electrical appliances such as monochrome televisions, radios, air conditioners and freezer compressors, Matsushita officials said.

Tokyo Press reports said Matsushita plans to begin next year manufacturing in Spain colour televisions for the local market. Colour TV broadcasts in Spain are expected to start in 1974.

Kruger newsprint deal

BY OUR OWN CORRESPONDENT

MONTREAL, Sept. 4.

KRUGER PULP and Paper, of Montreal, which last year tried unsuccessfully to arrange a newsprint deal with Bowaters in Newfoundland, is buying the Trois Rivières newsprint mill of Domtar.

The mill is being sold for an undisclosed amount in cash, but Kruger said the cost of acquisition, plus investment in woodlands and modernisation of some machines, would require around $50m.

Capacity of the mill at Trois Rivières, on the north shore of the St. Lawrence between Montreal and Quebec City, is nearly 300,000 tons yearly of newsprint and coated papers. There are six newsprint machines and off-machine coaters.

Kruger's chief customers are in the U.S., and the deal will lift its newsprint capacity in Quebec to round 500,000 tons. Domtar is known to be planning to expand its Dolbeau newsprint mill in the Lake St. Jean area of Quebec.

Dutch shipp[...] in talks on link-up

By Our Own Correspond[...]

AMSTERDAM, Se[...]

THE LEADING Dutch s[...] company KNSM Group [...] negotiating with Ceteco T[...] and Industrial Corpora[...] Amsterdam about a p[...] merger between the t[...] agreement is reached KNS[...] issue a bid for all outst[...] shares and certificate[...] Ceteco (former Curacao T[...] Company).

Both companies have a [...] share of their activities in [...] and Central America an[...] tacts between the two [...] existed for a long time. [...] net profit in 1972 totalle[...] 13.7m. compared to 11[...] 1971 on a turnover of Fl[...] against 420m. Jessel Sec[...] holds a stake of about [...] cent. in KNSM.

Ceteco holds a strong p[...] in Venezuela, where a [...] joint venture has [...] established with Sony, ma[...] electronics. Ceteco has [...] interests in the Greate[...] Lesser Antilles and in [...] and Mozambique. The co[...] covers a wide variet[...] activities in the fields of [...] industries and services fr[...] manufacturing of electro[...] food processing, woodw[...] and metalworking.

Bids and Deals

Bosch takes over Sonormel unit

● **Bosch Groupzunit, Blaupunkt-Werke** has set up a television and car radio production company, Blaupunkt (France) in Mondeville, Calvados, with a Frs.16m. capital. The company has taken over the plant and machinery of **Ste Normande de Fabrications Electroniques (Sonormel).**

● **Horten**, the West German store group, has reached a trading agreement with **Otto Versand**, of Hamburg. Horten will take over five of Otto's warehouses on a long-term lease from the beginning of 1973 and Otto will concentrate on its mail-order business. Horten's 1972 turnover was DM2,714m., while Otto's was DM1,523m. for the year ended February 28.

● **Fuji Bank** has established a joint merchant bank in Malaysia with **United Malayan Banking, National and Grindlays Bank** and a Malaysian businessman, Tan Sri Omar Ong Yoke Lin. The new concern, **Asian International Merchant Bankers Berhad**, is capitalised at $Mal5m. and is owned 50 per cent. by United Malayan Banking, 27.5 per cent. by National and Grindlays, 15 per cent. by Fuji Bank and 7.5 per cent. by Yoke Lin. The new bank plans a wide range of merchant banking activities in Malaysia.

● **Bank of Tokyo** has acquired a 6.8 per cent. interest, or about 1m. shares, in **Corporation Financiera Colombiana**, of Colombia, from **International Financing**, a World Bank affiliate but has declined to disclose terms of the purchase. Corporation Financiera is capitalised at Colombian pesos 144m. The participation is aimed at strengthening the Bank of Tokyo's activities in Colombia.

● **Hanimex** will acquire the Chicago-based, **International Marketing Associates (IMA)** for 100,000 Hanimex Ordinary shares. IMA distributes photographic and audio equipment in the U.S. with net tangible assets approximately $135,000. Hanimex expects the acquisition to considerably strengthen its North American distribution operations.

● **Capital Investment of Honolulu** has sold its 18-hole Peacock Gap golf course and country club north of San Francisco to **Nitto Hawaii**, for $2.25m.

● **Weyerhaeuser and American Can** have jointly announced the closing of the previously announced sale to Weyerhaeuser of the American Can pulp and paper mill at Rothschild, Wisconsin. The facility is one of three pulp and paper operations that American Can last year said it would sell as a result of a decision to withdraw as a supplier of fine paper.

● **First National Boston** has announced the organisation of a wholly-owned subsidiary, **First of Boston Mortgage**. Its area will be real estate financing and will supplement the lending activities of the Real Estate Division of First National Bank of Boston. Since the new corporation will operate under the regulations of the Bank Holding Company provisions of the Federal Reserve System, greater flexibility will be possible in meeting the credit needs of real estate finance and the bank's real estate customers.

Company Results

Cement-Roadstone lifts earnings by 41%

● **Cement-Roadstone Holdings** of Dublin announce pre-tax profits of £3.853m. for the 28 weeks ended July 11. Net earnings per share for the period amount to 5.03p against 3.58p for the corresponding period last year, an increase of 41 per cent. An interim dividend of 12 per cent. is to be paid. This compares with an interim dividend of 9 per cent. for 1972.

The company adds that its development programme ensured that it was in a position to benefit fully from the buoyant conditions in the building and construction industry in Ireland, where demand for all its products exceeded expectations. In addition, it further increased its market share of the expanding agricultural limestone market. Overseas operations also continued to prosper with exports of cement and clinker increasing by 20 per cent. over the same period last year.

● **Emery Air Freight** revenues for the first half of 1973 were $83.905m., up 31 per cent. over the $64.129m. realised a year ago. Income was up more than 56 per cent., from $6.444m. to $10.091. Income from international (non-U.S.) operations was almost double that of the corresponding period in 1972, rising from $875,000 to $1,744,000. Revenue from this area of Emery's operations in the same period rose from $16.052m. to $22.313m. Jan Schenkels, Emery's vice-president for Europe, said that the marked rise in both revenue and income from international operations reflected the company's decision to concentrate this year on international sales development.

● **United Overseas Bank** reports a rise in group unaudited pre-tax profits for the six months to June 30 to $Sing.13.02m. (7.4m. in 1972 first-half). This year's first-half profits included 54.5 per cent. profit in Lee Wah Bank (now a wholly owned subsidiary of the group). An interim dividend of 5 per cent. is to be paid (nil).

● **Maruzen** net profits rose in the half year ended July 31 to Y385m. (364m.). Sales totalled Y16,200m. (14,120m.). The company is paying an unchanged per-share semi-annual dividend of Y4.

● **Nippon Ham** profits in the half year to July 31 rose sharply to Y1,855m. from Y743m. Sales totalled Y84,952m. (59,455m.). The company is paying a per-share annual dividend of Y9 (7.5).

● **Wang Laboratories (U.K.)** reports an increase in sales of 14 per cent. from $12.938m. to $14.710m., for the fourth quarter to June 30. Earnings rose 39 per cent. from $1.100m. to $1.532m., an increase on a per share basis from 27 cents to 38 cents. New order bookings increased over 43 per cent. during the quarter. Consolidated net sales for the year increased 22 per cent. from $39.048m. to $47.704m. and earnings increased by 6 per cent. from $3.103m. to $3.293m. Earnings per share increased from 77 cents to 82 cents.

● **Elder Smith Goldsbrough Mort** reports consolidated operating profits for the year to June 30 of more than $A9.366m. ($A5.332m.). A final dividend of 7 per cent. is to be paid, making an unchanged total of 12 per cent. (14 per cent.). Consolidated gross income from trading rose 17 per cent. Directors say profits for the year were better than expected when the half-yearly report was made, principally due to improved trading conditions during the final months.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Anglo American 7½pc 1987	88	89
Ashland 8pc 1987	93½	94½
Bluebell 7½pc 1987	87¾	88½
British Land 8pc 1987	91	92
Cadbury Schwpps. 7½pc '88	89½	90½
Carrier 8pc 1987	93½	94½
Consol. Foods 7½pc 1991	89	90
Cutler Hammer 8pc 1987	94½	93½
Denmark 7½pc 1990	88½	89½
Fisons 8½pc 1987	94	95
General Cable 8½pc 1987	94	95
Grand Met. 7½pc 1987	86½	87½
Guardian R.E. 8pc 1987	93	94
Gutehoffnungshtt. 7½pc 1988	89	90
Hambros 7½pc 1987	93	94
Hamersley 8pc 1987	90½	91½
ICI 7½pc 1992	89	90
Kleinwort Benson 8½pc '87	96	97
Legal and Genl. 7½pc 1988	90	91
MEPC 8pc 1991	89	90
Michelin 7½pc 1988	89½	90½
Nat. & Grindlays 7½pc '87	91	92
RHM Intnl. 8pc 1988	91	92
Prov. of Quebec 7½pc 1988	89	90
Shell Intnl. 8pc 1988	95½	96½
Slough 8pc 1988	88	89
South Africa 7½pc 1987	88½	89½
Stand Oil (Ind.) 8½pc '88	98½	99½
Tenneco 7½pc 1987	89	90
Town & City 8pc 1987	89	90
Volvo 8pc 1987	93½	94½
Wellcome 8½pc 1987	94½	95½
Williams & Glyn's 8½pc '87	96	97
NOTES		
Bank of Tokyo 7½pc 1976	98	99
Barclays 7½pc 1978	96½	97½
Du Pont 7½pc 1978	96½	97½
Esso Intnl. 7½pc 1978	95½	96½
First Chicago 7pc 1980	91½	92½
General Motors 8½pc 1976	100½	101½
Rockwell Intnl. 7½pc 1979	94	95
Tenneco 7½pc 1979	91½	92½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	114	115½
American Motors 6pc 1992	94	96
Amoco 5½pc 1984	110	111½
Beatrice Foods 4½pc 1992	89½	91
Burden 5pc 1992	90½	92
Broadway Hale 4½pc 1987	91	92½
Carnation 4pc 1987	91½	93
Continental Tel. 5½pc 1988	99	100½
Damon 5½pc 1987	74	76
Dart 4½pc 1987	103½	105
Eaton 5pc 1987	81½	83
Economic Labs. 4½pc 1987	99½	101
Ford 5pc 1986	97½	99
Ford 5pc 1988	87½	89
General Electric 4½pc 1987	97½	99
Gillette 4½pc 1987	100½	102
Gould 5pc 1987	90	91½
Halliburton 4½pc 1987	133	135
Harris 5pc 1992	90	91½
Hitachi 6½pc 1984	171	173
Honeywell 6pc 1986	106½	108
ITT 4½pc 1987	88	91½
Komatsu 6½pc 1984	149	151
J. Ray McDermott 4½pc '87	115½	117
Masco 4½pc 1987	91	92½
Mitsubishi Elec. 7pc 1985	226	228
J. P. Morgan 4½pc 1987	126½	128
Owens Illinois 4½pc 1987	94½	96
J. C. Penney 4½pc 1987	105	106½
Rank 4½pc 1993	87	88½
Revlon 4½pc 1987	96	97½
Sime Darby 5½pc 1988	89	90½
Slater Walker 5½pc 1987	79½	81
Sperry Rand 4½pc 1987	104	105½
Squibb 4½pc 1987	99	100½
Texaco 4½pc 1988	82	83½
Toshiba 6½pc 1985	196	198
Union Carbide 4½pc 1982	89	90½
Warner Lambert 4½pc 1987	107	108½
Warner Lambert 4½pc 1985	97	85½

Source: Kidder Peabody Securities.

Other News

Luxembourg bank joins Abecor grou[...]

● **Banque Internationale a L[...]bourg** has become an a[...] member of Abecor, a ba[...] group formed by Al[...] Handelsbank Nederland, B[...] de Bruxelles, Bayerische [...]theken-und Wechsel-Bank [...] Dresdner Bank.

The Luxembourg ban[...] Abecor's second associate m[...] Oesterreichische Laende[...] Vienna, joined Abecor a[...] associate member several m[...] ago. Dresdner Bank noted [...] associate members will c[...] co-operate with Abecor [...] without necessarily partici[...] in all projects and initiatives.

● **Studebaker-Worthington** o[...] York will introduce [...] nominal $1 on the Fra[...] Bourse on September 10, De[...] Girozentrale-Deutsche Kom[...] Bank said as managing ba[...]

● **Honda Motor** plans to o[...] an experimental ranch [...] attempt to further develop [...] farm machinery. The compa[...] negotiating to purchase [...] hectares in Iwate prefe[...] northern Japan. It will [...] about Y250 in the planned r[...] where cattle will be raised to [...] develop the firm's agricul[...] machinery division. Honda [...] an annual volume of Y8,000[...] its agricultural machinery [...]

● **Swissair** will float a Sw.Fr[...] 6 per cent. 15-year loan at 9[...] cent. between September 17 [...] 21, Bond market sources re[...] But a spokesman for Sw[...] declined to comment.

● **Mitsubishi Estate** plans to [...]crease its capital to Y44,5[...] from Y40,730m. through a 10 [...] cent. free issue.

● **Chiyoda Chemical Enginee[...] and Construction** plans to di[...]bute a 10 per cent. free is[...] which will increase capital [...] Y3,520m. from Y3,200m. The c[...]pany also plans to pay a Y9 d[...]dend for the year end[...] September 30, up from Y8 [...] year. The projected divid[...] increase is to celebrate the co[...]pany's twenty-fifth anniversa[...] Chiyoda expects profit for [...] current year to rise to Y1,45[...] from Y1,1420m. a year earlier.

● **Howa Machinery** plans to [...]crease its capital to Y4,300m. fr[...] Y4,000m. through a public sto[...] offering.

● The Sw.Frs.45m. 5¾ per ce[...] 15-year loan floated by Pfa[...]briefzentrale Schweizerischer Ka[...]tonalbanken, was slightly unde[...] subscribed, the underwrit[...] consortium said.

● **Pfandbriefbank Schweizerisch[...] Hypothekarinstitute** will float Sw.Frs.45m. 5¾ per cent. 15-yea[...] loan at 99.6 per cent. fro[...] September 7 to 13, Schweizerisch[...] Kreditanstalt confirmed a[...] issuing consortium leader. Pro[...]ceeds will be used partly for con[...]version or repayment of a[...] earlier Sw.Frs.22m. loan due at [...] the end of September.

● **National Bank of Australasia** has obtained 100 per cent.-owner[...]ship of Custom Credit following the bank's offer of March 31, to acquire the remaining 40 per cent minority stockholders interest in Custom Credit.

FARMING AND RAW MATERIALS

Argentine oilseeds sale quotas

BUENOS AIRES, Sept. 4

EXPORTS of several oil-seed subproducts are now subject to a quota system, the Ministry of Commerce announced here to-day.

A Ministry statement said a Government decree ruled that exports of sunflowerseed, cottonseed, groundnut and soyabean cakes, expellers pellets and meal would be allowed in the proportion of one ton for export and two tons for domestic use.

The measure is aimed at securing domestic supplies of oilseed subproducts for mixed feeds and also at maintaining Argentine exports of oilseed subproducts to foreign markets.

The decree will take effect after its publication in the Customs Office bulletin, the statement added.

Reuter

More sales of processed bacon likely

By Our Commodities Staff

THE MAJORITY of U.K. bacon buyers predict that processed packed, bacon sales will continue to expand over the next three years according to an Ulster Bacon Agency survey of trade attitudes.

About two thirds of the 200 major U.K. bacon buyers replied to the survey and 70 per cent. expected a significant increase in the market share of processed bacon.

The report also showed that back and through-cut were by far the most popular pre-packs while collar seemed to lend itself to this form of point of sales presentation better than streaky.

More than half the buyers had noted an overall increase in total bacon sales in the past two years but a third said sales had been static.

Green bacon continued to dominate the market and 38 per cent. of the respondents reported a drop in smoked bacon sales and only 23 per cent. said smoked sales had risen.

GHANA COCOA FARMERS' BONUS

ACCRA, Sept. 4

The Ghana Cocoa Marketing Board has released 1,199m. Cedis through seven licensed buying agents to be paid as bonus to cocoa farmers in respect of the 1972-73 main crop sold to the Board.

A statement issued by the Board said the bonus payable in respect of a ton of cocoa for grades one and two is three cedis.

Reuter

Further fall for copper

BY JOHN EDWARDS

COPPER PRICES lost ground again on the London Metal Exchange yesterday. Cash wire-bars closed £12 down at £791 a metric ton, and fell further in late kerb dealings when the New York market declined the permissible limit down to 3 cents a pound.

The reopening of the New York copper market, after the Labour Day holiday, was watched with special interest to see whether the strong buying interest evident on Friday would be maintained. In the event it was not, since a feature of the market was a notable lack of consumer demand.

Borrowing cost

Significantly the cash price premium over the three months quotation narrowed further. The squeeze on immediately available supplies that has been a feature of the "bull" market this year appears to be easing at present; indeed there were unconfirmed reports from the Continent of nearby stocks creeping up steadily. Although interest rates eased slightly yesterday, the high cost of borrowing money has encouraged consumers to reduce rather than build up stocks and explains why buying demand has been at such a low ebb.

The relative stability in the foreign exchange markets has persuaded speculators to reduce their hedging purchases against currency uncertainties, as well as take their profits on forecasts that the market has "topped" out.

Nevertheless, some dealers were somewhat surprised by the easier tone of the market in view of the overnight news from Chile that "white collar" workers were going on strike in protest against President Allende's policies. If there is complete political chaos in Chile this could eventually disrupt even further supplies from the world's second biggest copper exporter. A direct threat to Chilean production is posed by the fact that labour contracts at the big five mines are due to expire shortly and unions are legally entitled to call strikes from September 30, if no agreement on new contracts is reached. The workers' demands are frightening by British standards — Exotica miners are asking for as much as a 500 per cent. increase, but it should be borne in mind that the inflation rate in Chile has been considerable in the past year.

Looming in the background is uncertainty about President Kaunda's moves to obtain more control of the Zambian copper industry, including possibly the taking over of marketing.

Sherry price rising

BY OUR OWN CORRESPONDENT MADRID, Sept. 4.

THE QUANTITY and quality of this year's Spanish sherry grape crop is better than last year, but there will almost certainly be price increases in the near future. This is the view taken in the Jerez region of Southern Spain, where harvesting of the grape crop has begun against a background of bullfights and flamenco dancing during the 26th Sherry Vintage Festival, organised by sherry exporters.

Reasons for the higher prices predicted are the rise in labour costs and higher taxes. More than 200 specialist vineyard workers recently went on strike to back a claim for higher wages. A provisional settlement was reached in most vineyards, but the strikers demands for a guaranteed minimum of Ptas 1000 (about £7) per day is expected to trigger off claims by semi-skilled and unskilled workers for more pay.

According to statements made by leading sherry producers and exporters, the current export boom is expected to continue and production and demand will be just about in balance this year. But in order to provide for future demand about 8,000-10,000 hectares of new vineyards will be planted within the next two years. This increase of vineyards will almost double wine production six or seven years from now but it also means an investment of almost Ptas.5,000m. (about £34m.), not counting the value of land planted with new stocks of grapes.

Until now the old-established sherry companies have financed their expansion programmes with company-owned funds. In future, however, several of these companies may have to tap the local stock exchange and private banks for new funds to help finance the planting of new vineyards as well as to continue the modernisation of technical installations.

Sherry exports have increased in recent years from 332,107 hectolitres in 1960 to 941,011 in 1971 and 1,268,800 hectolitres last year. About 94 per cent. of the 1972 exports went to EEC countries.

Big commodity market falls in Japan

TOKYO, Sept. 4.

PRICES on almost all Japanese commodity exchanges fell sharply to-day in a rush of selling and profit-taking.

On the cotton yarn exchanges in Osaka, the Rubber Exchange in Tokyo, spun rayon yarn market in Nagoya and red beans in markets in Osaka and Nagoya, prices for all the monthly positions fell to the day's permitted limits.

Market sources said factors in the price declines included high domestic stocks of imported crude rubber and a fall in Singapore rubber market prices, growing expectation of a bumper red bean crop in Japan, a reaction against high prices in the cotton yarn market, record stocks of woollen textile yarns at the woollen textile centre near Nagoya, and fears of a new cut in Chinese silk prices.

Reuter

Eastern rubber trading change

KUALA LUMPUR, Sept. 4.

SINGAPORE rubber dealers have started buying Malaysian rubber on Malaysian Exchange contracts to meet their overseas commitments, rubber dealers here said. Inquiries from the island State began to pour in before trading began.

This follows the decision by Malaysia to have its own rubber exchange independent and free from foreign countries including Singapore.

It was also decided that Singapore, like any other foreign country, could trade with Malaysia provided it was on Malaysian Exchange contracts.

The interchangeability and linking arrangements of the Malaysian Rubber Exchange with the Singapore Rubber Association were cut off on August 20.

Reuter

IRISH BUTTER TO BE CHEAPER

By Our Commodities Staff

MANY LEADING supermarket groups are to reduce the price of Kerrygold butter to 10p per half pound, the Irish Dairy Board announced yesterday. Over the week-end the Board said the wholesale price of Kerrygold was being cut by 2p to 21p a pound, but is now predicting further reductions in the shops to as little as 9.5p a half pound in some multiple stores.

The intention of these price cuts, say the Board, is to increase its share of the U.K. butter market from 10 per cent. to 25 per cent. in 1978.

INDIA'S FOOD SITUATION

Belt-tightening but not famine

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

THE floods which have been wreaking havoc across northern India show how good the prospects are for the main monsoon rice crop. But before the lush green waterlogged paddy can be harvested India faces what many experts predict will be "a famine situation" in a number of areas. Beyond this, the food grain crisis poses important questions concerning the management of the Indian economy.

The reason why the monsoon will have little immediate effect, apart from an important psychological one, is that it will be two months before the present crop is ready. Until then, food supplies are dependent upon what is left of last year's kharif (monsoon) crop and the spring rabi crop. Official figures for these crops are not yet available, but the best guess is that "India will have to tighten its belt by 6 per cent."

A 6 per cent. belt-tightening might not seem much, but it assumes that the distribution will be even and glosses over the fact that if 2,000 calories a day (a typical western average) are regarded as desirable, then Indians in a normal year are 200 per cent. deficient. One set of experts carefully calculated that it imports reached 6m. tons in 1973, per capita foodgrain availability would be about 155 kiolgrams or slightly higher than the 148 kg of the previous drought years of 1966 and 1967. This, the experts say, is "just tolerable."

The most optimistic estimate of the total locally-produced foodgrains available for the 1972-73 year is about 95m. tons "if they are lucky," nearly 10m. tons below last year's production, 13.5m. tons below the record 1970-71 year and about 18m. tons below the original Government target. The failure of the monsoon last year shattered the kharif hopes. A crash programme was started to raise the rabi crop, which consists mainly of wheat, by 15m. tons over the 42.7m. tons in 1971-72, but combined shortages of fertiliser, power, surface water, poor seed, an outbreak of yellow rust, and continued effects of the drought meant that this was over-optimistic.

In addition, when the crop was actually harvested it was found that although the ears looked good, the grain in them was shrivelled, probably because of exceptionally hot weather and lack of irrigation.

The Government has meanwhile run down its buffer stocks from about 9m. tons in June 1972 to below 4m. tons. As about 2m. tons is the minimum allowing some flexibility and since the Government has to distribute something over 1m. tons a month through the public distribution system, by mid-September the buffer stocks will be running out. An extra 1m. tons will be needed by the end of September, and an additional 1m. for October. This means that the Indian Government has to buy grain, and buy it fast.

The trouble is that there is not much grain to spare in the world, transport costs are high and transportation slow. An Indian team in the U.S. has been instructed to buy 4.5m. tons to add to the 2m. tons bought abroad earlier this year, but is finding that the only grain available is in pocket-sized packets of about 20,000 tons a time, scattered widely over the U.S. Even if it can succeed in buying the grain, the likelihood of putting it together, getting it to a port for shipping to India (six weeks away from Houston), and then distributing it through the vast subcontinent in time seems remote. Indians will have to tighten their belts.

What this means is complicated. An immediate assessment would be that rural areas have probably kept enough grain for their own purposes, and the pinch will be felt in the cities, through the 200,000 depleted Government ration shops. This is a static analysis, and ignores the pulling power of city money. What is likely to happen is that the higher prices that can be fetched in the cities will draw the grain from the villages, and it will be the poor villages and the poorest people in the cities who will suffer. There are already signs of this happening. In the larger towns of Rajasthan, for example, it is possible—at high prices—to buy up to 6 kg of wheat. Further down the road only 4kg are available, and in the remote rural villages reports are that figures have dropped to 2kg and even 1kg.

The recent heavy rains may exert a psychological push and flush hoarded grain on to the market. Hoarders know that the chances are that in most States a good new crop will appear in six to eight weeks and prices will plummet.

In summary, the effect of all this will be that unless the Government bungles badly or experts' predictions are very wrong India can probably get through the tense period without a general breakdown of law and order and can possibly also emerge without a major famine that would attract bad international publicity. The price will be that thousands in poor villages dotted over India will die unnoticed: a few deaths might be attributed to starvation; most will be blamed on an assorted combination of other diseases, aided by lack of food.

The crisis leaves serious questions over the Government's handling of it. Mrs. Gandhi's antipathy towards Mr. Nixon and her insistence that she would not beg for food is one factor. There is the question of how much grain is really available in the U.S. and at what price, but had relations between the two countries been better it would probably have been easier for India to find it.

The policy decision to run down the buffer stock last year rather than enter the world grain market then was (in retrospect anyway) a serious miscalculation. Mrs. Gandhi can argue that she did not want to cause panic by rushing on to the market and sending prices sky-high. But other people did push in first. This defence fails to take account of the limited world grain store, especially after the big power grain deals. India should have been buying in August last year when it was clear that the monsoon was bad. In September the size of the mammoth U.S. deal with the Soviet Union became clear, but still India held on. By November it was apparent that the monsoon harvests had failed all over S. and S.E. Asia, but still India kept out of the market, possibly because Mrs. Gandhi believed that the country could scrape through. She miscalculated, and since December grain prices have doubled and India still has to buy. It has also not been the best of time for the Government to attempt to rationalise the domestic wheat trade. A Western expert commented: "Had Britain or Australia, for example, decided to take over wheat procurement, by planning carefully they could have done it in about a year. Here they expected it to be done at the scratching of a pretty rusty pen. It is clear it has not worked." Public wheat procurement has probably been lower this year than in the previous two and private traders seem to have continued to do good business.

The longer-term effects of last year's bad monsoon and India's misjudgments will run for years to come. Unless India has three years' excellent monsoons and crops, it will have to buy on the world market to restore the buffer stock. In states like Maharastra and Rajasthan where the drought was most severe, it will be many years before the number of draught animals is the same, and a number of farmers are unlikely ever to return to the land.

The inevitable question remains—is India winning or losing the fight for self-sufficiency in food? Until the bad monsoon its supporters could point out that although the annual rate of increase in foodgrain demand in the 1960s was between 2.8 and 2.9 per cent. a year (including a 2.3 per cent. population increase), the rate of increase in food production was a little over 3 per cent. Total foodgrain production rose from 66.9m. tons in 1955-56 to 107.8m. in the record 1970-71 year. Until about 1960 the increase came from an increase in area, but since then it has mainly derived from high yields. The predictions of the 1960s that permanent famine would be around the corner by 1975 have not been fulfilled.

Although according to some projections, India would need more than 180m. tons of cereals and nearly 20m. tons of pulses by 1981, and nearly 230m. tons of grain and pulses by 2000AD, many hard-headed experts are convinced that given proper planning India could meet even these requirements. The irrigated areas could be expanded, and the Green Revolution is only just starting to affect rice. Still, someone has yet to devise a regular manner of harnessing the wayward whims of the monsoon, so one year in five India can expect to have its hopeful targets lowered.

ALL-INDIA INDEX NUMBERS OF FOODGRAINS AND NON-FOODGRAINS

(Base: Triennium ending 1961-62=100)

	Area under Crops		Agricultural production		Yield	
Years	Food-grains	Other grains	Food-grains	Other grains	Food-grains	Other grains
1949-50	85.0	69.6	74.9	68.1	87.0	97.9
1953-54	93.7	80.7	89.0	72.0	96.9	96.4
1957-58	94.2	94.2	81.7	88.3	87.0	94.7
1961-62	100.6	104.3	103.7	103.5	101.8	99.6
1965-66	99.1	107.2	89.9	107.1	89.6	96.2
1966-67	99.3	105.6	91.9	103.7	91.7	97.4
1967-68	104.6	106.5	117.1	115.6	112.5	108.1
1968-69	103.7	101.7	115.7	113.2	109.1	105.0
1969-70	106.4	105.6	123.5	120.5	116.3	106.5
1970-71	107.0	108.4	133.9	127.0	122.0	111.2
1971-72	105.2	109.1	130.9	126.0	120.3	111.5

Source: Ministry of Agriculture, Directorate of Economics and Statistics

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Again lower in trading on the London Metal Exchange. Dampening factors included the high level of interest rates and lack of outside demand coupled with a fall in New York. Also noted was the increasing availability of nearby supplies of copper on the Continent and a further reduction was seen in the backwardation on wirebars. Turnover 19,025 tons.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Wirebars				
Cash	795-4	—15	790-2	—12
3 months	776.5-7	—10.5	775.5-6	—7.75
Settlem't	794	—16	—	......
Cathodes				
Cash	775-7	—17	775-8	—15
3 months	752-3	—20	753-5	—15
Settlem't	777	—17	—	......
U.S. Smt.	—	......	*60-60¼	......

Amalgamated Metal Group reported that in the morning cash wirebars traded at £796, 94, early Sept. £800, £796, three months £786, 85, 84, 83, 82, 81, 80, 79, 78, 77, 76, 77, 76.5, 77, 76 77, 78, 77. Cathodes: Cash £775, 78, 78, 77, three months £753, 52. Kerb: late Nov. Wirebars £775, three months £775, 74, 75, 76, 77. Cathodes: untraded. Afternoon: Cash wirebars £791, early Sept. £794, mid-Sept. £795, 93, early Oct. £783, late Oct. £790, three months £775, 76, 77, 78, 77, 76, 76.5, 76. Cathodes: Early Sept. £774, cash and three months untraded. Kerb: Cash bars £790, 89, 90, late Oct. £789, late Nov. £778, early Dec. £774, three months £775, 74, 72, 71. Cathodes: untraded.

TIN—Regained ground despite some fairly heavy selling of cash and forward metal during the morning. Sellers later became reluctant in view of the tightness of nearby supplies. Turnover 580 tons.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	1983-5	—15	1992-7	+17
3 months	1964-5	—11.5	1975-7	+8
S'ment	1985	—15	—	......
Straits E.	‡8685½	......	—	......
New York	—	......	*237.25	—1

Morning: Cash £1,985, 90, 85, three months £1,972, 70, 68, 65. Kerb: Three months £1,965. Afternoon: Cash untraded. Three months £1,978, 73, 75. Kerb: Cash £2,000, three months £1,980.

LEAD—Fractionally firmer following a modest amount of interest shown in cash metal during the morning market. Turnover 1,975 tons.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	176.5-7	......	176-7	+.5
3 months	181-.25	—.75	181.25-.75	+.25
S'ment	177	......	—	......
N.Y. Spot	—	......	*16-16.5	......

Morning: Cash £176, 77, three months £180.5, 80.25, 80, 80.25, 81. Kerb: Mid-Nov. £180.25. Afternoon: Cash £176.5, three months £181.5. Kerb: Three months £180.5.

ZINC—Edged up under the impact of only small buying in a very thin market. Turnover 2,050 tons.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or †—
	£	£	£	£
Cash	575.5-4.5	—1.75	375-6	+1
3 months	372.5-3	—2.5	374.25-.75	+1.75
S'ment	374.5	—1.5	—	......
St. Louis	—	......	*20.25-2	......

Morning: Cash untraded. Early Sept. £374, early Nov. £373, three months £372, 73, 72.5, 72, 72.25, 72.5. Kerb: Untraded. Afternoon: Cash £375, three months £373, 73.5, 74.5. Kerb: Three months £375, 74.5.

* Cents per lb. † On previous unofficial close. ‡ $M per picul.

SILVER

Silver was raised 0.7p an ounce for spot delivery at the London bullion market fixing, to 106.8p. U.S. cent equivalents of the fixing prices were: spot 261.6c., up 0.8c.; three-month 268.3c., up 0.7c.; six-month 275.3c., up 0.5c.; and 12-month 289.3c., up 2.6c. An irregular pattern of changes in forward prices was also seen in the sterling figures. Business was moderate, and the closing spot price was 106-107p (258.5-261.0c.).

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

FREIGHTS

[illegible]

RUBBER

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

GRAINS

[illegible]

JUTE

[illegible]

COTTON

[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—[illegible]

MEAT/VEGETABLES

[illegible] pound 0.07-0.08. Tomatoes—per 12 lbs 0.60. Scarlet Runners—per pound 0.04. Swedes—per 28 lbs 0.35-0.40. Courgettes per 10 lbs 0.80. Onions—per 56 lbs nets 1.00, Picklers 56 lbs 1.10-1.20. Corn Cobs—per 14, 0.35-0.40. Parsnips—per 28 lbs 0.60-0.70. Greengages—per pound 0.11-0.12. Pears—per pound, Williams 0.04-0.05, Dr. Jules 0.04. Cobnuts—Kent, per pound 0.35.

★

COPRA—Philippines/Indonesian — (per ton): Oct.-Nov. $335 resellers; Sept. $330-$332 paid.

★

GRIMSBY FISH—Supply moderate and demand fair. Prices per stone at ship's side, unprocessed: Shelf cod £2.10-£2.30, Codlings £1.50-£1.90, Large haddocks £1.90-£2.10, Medium haddocks £1.60-£1.80, Small haddocks £1.20-£1.60, Large plaice £2.40-£2.80, Small plaice £1.90, Skinned dogfish £3.40, Coalfish 65p-75p, Catfish £1.40.

Korea and New Zealand joint cattle venture

By Our Own Correspondent

SEOUL, Sept. 4.

NEW ZEALAND and South Korea are expected to enter into a joint venture to set up a beef cattle farm in Korea within this year, according to Government sources here.

The cattle enterprise is being promoted in accordance with an agreement reached at the trade talks between the two countries held in Seoul last April. Partners, which have yet to be selected, would put up $780,000 jointly to raise 510 head of beef cattle initially.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept. 4 1973	+ or —	Month ago
Metals			
Aluminium (x)	£250	......	£250
Free market cif	£305/10	......	£290.5
Copper §			
Cash Wire Bars (w)	£791	—12.0	[illegible]
3 months do. do. (w)	£775.75	—7.75	£834.75
Cash Cathode (w)	£774	—15.0	£813.5
3 months do. do. (w)	£754	—15.0	£806
Gold ...... Troy oz.	$105.5	+1.0	$114.75
Lead Cash (w) §	£176.5	+0.5	£179
3 months (w)	£181.5	+0.25	£184
Nickel (w)	£1,386	......	£1,351
Free market cif (lb)	$1.48.58	......	[illegible]
Platinum (b) troy oz.	£84.5-8.8	......	£53.85
Free market	£55.75-8.75	+.25	£56-70
Quicksilver (76lb)	£108-11	......	£111.5
Silver Troy oz.	106.8p	+0.7	111.7p
3 months	110.5p	+0.6	115.55p
Tin Cash (w) §	£1,994.5	+17.0	£2,030
3 months (w)	£1,976	+8.0	£2,011
Wolfram 22.04 lb. cif	£18.0-.5	......	£17.4-.4
Zinc Cash (w) §	£375.5	+1.0	£359
3 months (w)	£374.5	+1.75	£375
Producer (x)	£190-220	......	£190-220
Oils			
Coconut Malayan	‡	......	†
Groundnut			
5%	‡	......	£243
Linseed Crude	‡	......	£350
Palm Malayan	‡	......	£194
Soyabean (x)	‡	......	†
Seeds			
Copra Philipp'toe	‡	......	$405
Gr'nuts Nigerian	‡	......	£197
Linseed Can No. 1	‡	......	‡
Grains			
Barley French	†	......	†
Home Futures	£80.00	—1.75	£81.75
Maize			
No. 3 Yellow Am	£85.0	—0.5	£68
S.A. Yellow Flint	†	......	†
Wheat			
No. 1 Red Spring	‡	......	‡
No. 2 Hard Winter	‡	......	‡
Australian (f.aq.)	‡	......	‡
English Milling	£59	......	£60½-61
Cocoa Shipment (x)	£587	—1.0	£717
futures Dec.	£545.75	—1.50	£672.25
Coffee Shipment (c)	49.00	......	49.00
futures Nov.	£454.75	+2.0	£424.75
Cotton 'A' Index			
c.i.f. L'pool cent/lb	84.5*	+0.9	[illegible]
Jute LJ ABWC (d)	†£146	......	£145
Rubber ...... kilo	36.0p	—0.5	38.0p
Sisal EA 3L (x)	£245	......	£230
Sugar	£91	......	£99
Wooltops 64s ... kilo	293p	......	310p
Cloves (Madagascar)	£1710	......	£1,700
Pepper White .. ton	£840	—10.0	£960
" Black ... ton	£555	+10.0	£575

* Nominal. † Seller. § Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. w Ex warehouse. x C.i.f. U.K. z Metric tons. u Sept.-Dec. s Aug. y June-July. r Aug.-Sept. t July-Aug. p Sept. v Oct.-Nov. q Jan. s Sept.-Oct.

INDICES

FINANCIAL TIMES

Sept. 4	Sept. 3	Month ago	Year ago
185.06	184.88	192.49	93.34

(Base, July 1, 1952=100)

REUTER'S

Sept. 4	Sept. 3	Month ago	Year ago
1183.1	1186.5	1205.2	598.7

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Sept. 4	Aug. 31	Month ago	Year ago
Spot	318.75	318.54	288.87	167.65
Futures	303.39	305.39	278.72	158.95

(Average 1924-25-26=100)

MOODY'S

Moody's	Sept. 4	Aug. 31	Month ago	Year ago
Sple Commt'y	649.7	652.6	667.2	432.3

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, Sept. 4.

COCOA reacted similarly to many other markets reflecting carry-over selling from Chicago. Copper opened sharply lower following London and thereafter light rallies lacked follow-through so the market moved limit-down. Silver moved higher [illegible]

[illegible]

COMPANY NEWS

T & C confident of continued growth

MR. B. D. EAST, chairman of Town and City Properties, remains confident that growth of the group will continue at an "impressive rate" and he believes that T. and C. is "well poised to meet the changes and challenges of the future."

In the year ended March 31, 1973, group net profit increased from £2.46m. to £3.76m. and the dividend is 26.25 per cent. (25 per cent.), as reported August 4.

Despite the difficulties of the year the group is "more firmly based than ever before." It possesses a large and high quality commercial *property investment* portfolio and a massive property development programme which will ensure the continuance of the upward trend of the group's business, says the chairman.

The potential in the acquisition of Central and District Properties and of Sterling Land Company will "contribute substantially" to growth. One of the effects will be to increase property assets from £356m. to around £550m. and to expand the enlarged group's development *programme from* £330m. to over £450m.

A geographical spread of group property assets of £356.67m. shows: U.K. £309.7m.; France £13.6m.; Belgium £1.6m.; Netherlands £7.3m.; Australia £19m; and U.S. £5.2m.

A property valuation revealed a surplus (after minorities) of £170.93m. over book. In the result net assets attributable to holders at March 31 amounted to £227.48m., representing a net asset value of 204p per Ordinary share.

The chairman points out that in arriving at the valuation of properties in course of development no account has been taken of any further improvement in value which will occur when each is completed and fully let.

Regarding the U.K. investment properties he says that a report from Healey and Baker infers that subsequent to March 31, 1973 there has been a further appreciation in value.

It has been decided that in future a valuation of property assets will be made every two years.

The cost of development projects completed during the year was nearly £22m. Cost of projects in course of development is currently estimated at £119½m. of which 92 per cent. will benefit T and C holders. It is anticipated that these projects will be completed as follows: 1973-74, £30½m. estimated cost: 1974-75, £21½m.; 1975-76, £12m.; 1976-77, £20m.; 1977-78, £35½m.

Cost of development projects anticipated to commence during 1973-75 is currently estimated at £139m., of which 72 per cent. will benefit T and C holders. Of this amount, developments costing some £71m. will be commenced in 1973-74.

In addition and since March 31, 1973, commitments have been entered into for commercial and shopping development at Olympia, London and Ilford, Essex, respectively. Estimated cost of the acquisition of the developments is expected to aggregate not less than £33m.

Meeting, Dorchester Hotel W., September 26 at noon.

EC Cases advance

E. C. CASES, makers of products from softwood announces a substantial increase in sales and profits for the six months ended June 30, 1973. Turnover increased to £1,333,073 from £947,452 and unaudited pre-tax profits to £203,836 from £101,065.

Trading continues to be "most satisfactory" the directors report, and the introduction of VAT has not adversely affected sales despite the company's products not previously having been subject to tax.

The interim dividend is effectively again 7½ per cent. Total for 1972 was equal, adjusting for a scrip, to 15 per cent., paid on taxable profits of £225,000.

Trident TV tops target

AGAINST the half-way forecast of not less than £4m., pre-tax profit of Trident Television, parent of Yorkshire TV and Tyne Tees TV, reached £4.44m. for the year to May 31, 1973—£1.06m. better than the previous year.

Mr. J. Hanson, chairman, says the figures mark the solid growth of Trident, *reflected in a further* increase in earnings per 10p share to 7.3p against 5.8p.

The final dividend recommended is 12.25 per cent. net, equivalent to 17½ per cent. gross, making 26¼ per cent. gross, the permitted 5 per cent. increase over the previous year's 25 per cent. total.

	1972-73 £	1971-72 £
Turnover	25,260,000	20,595,000
Exchequer levy	2,400,000	1,657,000
Pre-tax profit	4,438,000	3,385,000
Taxation	1,945,000	1,408,000
Net profit	2,493,000	1,977,000
Interim dividend	210,520	256,435
Final dividend	421,060	572,870

Centrovincial sees more expansion

While the future must depend to some extent on Phase Three, the directors of Centrovincial Estates are confident that the growth in rental income and property values will continue.

They intend to increase the dividend level to 2.50p per share gross—1.75p net—as soon as permitted. As reported on August 17 net profit for the year to March 25, 1973, was £595,513 (£285,609) and the dividend is 1.96875p (1.875p) per 20p share.

In the U.K. existing developments progressed satisfactorily and new developments were undertaken, the directors report, at an estimated total cost of £9m.

Increased net rental income is attributable partly to new lettings and partly to rent reviews negotiated before the counter-inflation measures came into force. The rent standstill has not had any significant effect on the rental income, they state.

As known, arrangements have been made with General Accident Group for a new 25-year mortgage loan of £2.5m. and a further £7.5m. to be available as lease-back finance over a period of up to 10 years.

In Australia the programme of office development in Sydney and Melbourne is proceeding according to plan and some properties are now nearing completion; the whole programme will be completed towards the end of 1974.

Turning to Continental Europe the directors say that as a result of progress towards solving problems arising from the group's joint interests with its former Continental partners, they have been able to reappraise the prospects of property investment on the Continent.

Consequently since the end of the year, they have agreed to acquire two further properties; an existing shop investment in The Hague, Holland, and a substantial office development in the centre of Paris.

The directors are also reviewing the situation in Spain to determine whether any of the remaining income-producing properties held are suitable for retention as investments.

Book value of group completed investment properties at March 25, 1973, was approximately £42m. Group net assets now amount to £29.2m., not allowing for tax on any sale of investment properties. This is equivalent to 191.1p per share (128.3p).

Meeting, Winchester House, EC, October 2 at 3 p.m.

Merchants Trust improves

The Merchants Trust reports that revenue earned on the Ordinary stock in the six months ended July 31, rose from £501,878 to £513,054, with gross earnings per 25p share up to 1.115p from 1.091p.

An unchanged interim dividend of 0.875p gross—0.6125p net—is declared. Previous total was 2p paid from net revenue of £903,165.

At July 31, 1973, assets value was £47.4m. (£49.9m.—and £48.5m. at January 31, 1973) including 100 per cent. of the Investment Dollar Premium where applicable amounting to £3.8m. (£2m. and £2.1m.).

Net assets were shown at £33.8m. (£37.6m. and £35.9m.) giving a figure per Ordinary unit of 73½p (82p and 78p).

Westminster and Country beats target

On lower turnover, Westminster and Country Properties, the property investment and development group, pushed up pre-tax profit from £411,598 to a record £683,947 in the year to April 30, 1973. This compares with a forecast of "not less than £600,000" by chairman Mr. D. B. Parkes at the interim stage, when profit was up from £58,000 to £307,000.

Earnings per share are shown to have risen from 7.39p to 10.67p over the year. Turnover dropped from £4,002,377 to £3,502,036.

A final dividend of 4.460 per cent. net lifts the gross equivalent from 6 per cent. to 6.375 per cent. Gross total goes up from 7.5 per cent. to 7.875 per cent.—the maximum permitted.

	Year to April 30 1973 £	1972 £
Turnover	3,502,036	4,002,377
Pre-tax profit	683,947	411,598
Tax	288,579	160,355
Net profit	395,048	251,241
Attributable	373,037	221,739
Dividends	40,334	56,230

Healthy order book for James Garnar

Demand is particularly strong from overseas, reports tanner and leather group James Garnar and Sons, announcing a profit up from £102,000 to £163,000 before tax of £60,000 (£31,000) for the half year to July 31, 1973.

Order books are "extremely healthy" says the Board and the group continues to make good progress. The future is viewed with confidence.

A net interim dividend of 3.5 per cent. is declared, equivalent to 5 per cent. gross. The comparable figure last year was 3.2 per cent. after adjustment for the one-for-four scrip.

In the full year to January 31, 1973, pre-tax profit was £343,351 on which dividends were equal to 10.07 per cent.

UNIT TRUSTS

Hill Samuel Management Service

Hill Samuel Professional Adviser Services (the new company formed in August by Hill Samuel Unit Trust Managers) has introduced the Hill Samuel Personal Investment Management Service. This is basically designed to secure professional investment management for the investor with *£10,000 to £100,000 while still* allowing him to retain his own professional adviser.

Investment portfolios will be individually tailored but the rule of thumb is that 50-70 per cent. of the portfolio will be in individual shares and the remainder in two or more of the eight Hill Samuel unit trusts.

Hill Samuel PIMS will be responsible for all the administration of the portfolios and charges *include a fixed sum of £100 per* annum plus ¼ per cent. of the value of funds (excluding the amount invested in unit trusts).

● comment

This is a follow-up to the Hill Samuel Personal Financial Service which has attracted over £5m. in portfolios in its first 18 months and is geared basically to the clients of Noble Lowndes. The new Personal Investment Management Service has the same charges and organisation but spreads the net wider to take in professional advisers (accountants and solicitors) at large. The service is more expensive than that operated by the clearing banks, but Hill Samuel reckons it can do better and there is an element of flexibility to the discretionary management. Dealing expenses are over and above the set charges and each portfolio must include a percentage in Hill Samuel unit trusts.

EBOR HIGH RETURN

The half-yearly report on the Ebor High Return Unit Trust shows that the latest distribution for the six months to July 15 is 103p per 100 units (77p) making a 1972-73 total of 171p against 149p.

HILL SAMUEL INT.

The distribution on Hill Samuel International Trust for the six months to July 12, 1973 is 0.927p per unit compared with 0.555p in the comparable period last year. This is because of the greater liquidity of the fund (25.4 per cent. at the year-end). The offer price of the units fell by 10.3 per cent.

STOCK EXCHANGE BUSINESS IN AUGUST

Turnover at year's low

BY ERIC SHORT

SOARING INTEREST rates, currency uncertainties, fears of industrial unrest and the expected effects of Phase Three on company earnings severely dented confidence on the Stock Exchange in August. This resulted in turnover in all sectors for that month dropping to the lowest level of the year.

Business in All Securities was almost one-third down, declining £1,545m. on the month to £3,343.4m. This was the lowest figure since October 1972, a figure which excluded turnover in provincial exchanges. The figures for the provincial exchanges have been included only since April.

The Financial Times Stock Exchange Turnover Index fell from 151.8 in July to 103.8 in August, the lowest value since December 1970.

Even more dramatic was the drop in the number of bargains done, which were 123,000 lower at 411,156. This was the lowest monthly number since February 1971, which did not include the provinces.

Gilt-edged quiet

Conditions in August in the gilt-edged sector were very quiet, with turnover down by more than one-third. At £2,053.7m., down £1,105m., it was only just *higher than the ex-*provincial February figure. Both short-dated and other stocks suffered in this decline.

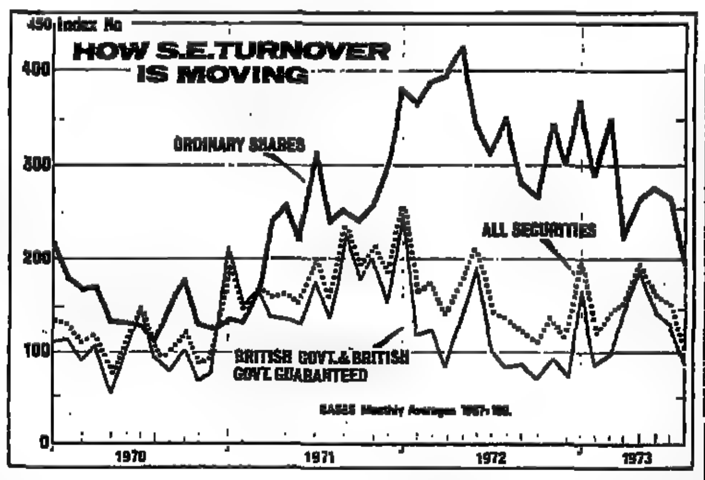
The number of bargains in gilt-edged was 3,000 lower at 40,140. The significant feature, however, was the reduction of the average size of bargain in each sector, compared with what it had been in recent months.

The Financial Times Turnover Index for British Government Securities declined to 86.9 in August, from 133.7 in July and 141.6 in June.

Business in Irish Government Securities was very quiet during the month, being only £16.1m., compared with £61.3m. the previous month. Turnover in other fixed-interest securities fell by £14m., so that on the month, business in all fixed-interest securities slumped £1,164m. to £2,254.2m.

The equity sector was badly hit, and turnover in August was not much above the £1,000m. mark. It fell £381m. on the month to £1,089.2m., the lowest for over two years. The Financial Times Turnover Index for Ordinary Shares dropped to 194.4 in August from 262.3 in July. This value for August was the lowest since March 1971.

The number of equity deals fell by one-quarter on the month, being 115,000 lower at 327,032. This was the lowest number recorded for over two and a half years. The average value per bargain remained unaltered *on the month, again indicating* that in general investors are reluctant to enter the market.



The movement of interest rates to all-time high levels sent gilt-edged prices down to their lowest ever. *This movement was* reflected in the base rate of the clearing banks being pushed to 11 per cent. Currency weaknesses were carried over from the previous month and there were fresh inflation fears to weaken still further any confidence left in the sector.

The effect on gilt-edged prices was highlighted by the performance of the Financial Times Government Securities Index *during August. From an end-*July value of 65.77, it moved steadily down to an all-time low since compilation of 63.87 on August 22, a fall of 3 per cent. It made up some of the lost ground over the last week of the month to end at 64.30.

The factors depressing the gilt-edged market had a similar effect on the equity sector. This was reinforced by fears of the possible reduction of company earnings arising from the yet-to-be formulated Phase Three proposals. The likely industrial unrest this coming winter added to the depression.

Equity down-drift

Equity prices drifted lower on small offerings coming to an unwilling market. The market in Ordinary shares is apparently discounting future company results and ignoring the very good earnings being reported by companies at present. The current price-earnings ratio on an imputation basis is in the region of only 13, compared with 19 six months ago.

The downward drift in equities was shown from the movement of the Financial Times Industrial Ordinary Share Index during August. From an end-July value of 428.5, it fell to 422.8 on August 9, and recovered to 431.1 on August 16 before falling on August 28 to 413.2, its lowest for nearly two years. It ended the month at 414.4 for a decline of 3.3 per cent. over the month.

Category	Value of all purchases and sales £m.	% of total	Number of bargains	% of total	Average value per day £m.	Average value per bargain £	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run) ...	1,106.9	33.1	11,381	2.8	50.3	97,262	518
Others	946.8	28.3	28,759	7.0	43.0	32,921	1,307
Irish Govt.	16.1	0.5	1,934	0.5	0.7	8,315	88
U.K. Local Authority	68.5	2.1	4,339	1.1	3.1	15,781	197
Overseas Govt. Provincial and Municipal	7.7	0.2	1,673	0.4	0.4	4,628	76
Fixed Interest Stocks, Pref. and Prefd. Ord. Shares ...	108.2	3.2	36,038	8.7	4.9	3,002	1,638
Ordinary Shares	1,089.2	32.6	327,032	79.5	49.5	3,331	14,865
Total	3,343.4	100	411,156	100	152.0*	8,132*	18,689*

* Average of all securities

Meat and Poultry

FINANCIAL TIMES SURVEY

Meat and Poultry

FINANCIAL TIMES SURVEY

Cutting for the customer in a High Street butchers.

Prices dominate headlines

By ROBIN REEVES, Commodities Editor

Meat and poultry is not an industry to stay out of the news for very long but, by any standard, it has been the subject of an unprecedented wave of publicity over the past 12 months. The reason—steeply rising prices—hardly needs elaborating; there can hardly be a person in the country left unaware of what has happened to prices in an industry responsible for over 25 per cent. of total national expenditure on food. But for the record, Scottish beef is presently wholesaling at 27p to 30p a pound compared with 20.5p to 23.5p this time last year, English lamb at 26p to 30p a pound compared with 19.5p to 23.5p a year ago, pork at 17p to 22.5p against 11p to 17.5p and broiler chickens at 19.5p to 23p a pound compared with 14p to 15p a pound.

No industry could expect to pass on increases of this order unnoticed and certainly not at a time when the Government of the day is trying to fight inflation with the most rigorous prices and incomes controls since the war.

Granted the Government's decision to exempt fresh food from the price restraints code, it is reasonable for the man in the street to ask why the price of meat has suddenly shot up in price—what has gone wrong? The equally simple answer is that, if anything, things have gone too right. Throughout the world rising living standards have created a demand for meat which for the present at least has outstripped available supplies.

The net result is that the world meat economy has got out of balance and Britain, as a leading import market, has felt effects of this to the full. The fact that it should have coincided with Britain's joining the European Economic Community has been unfortunate, both from the point of view of the Government trying to sell the advantages of EEC membership to a sceptical British public, and for the industry itself trying to grapple with the complex adjustments surrounding Common Market entry.

More important still, righting the balance in world meat supplies is never something to be achieved overnight. Even assuming other things are equal, which usually they are not, the production cycle for beef is two to three years and for pigs and poultry many months.

World demand

But while rising world beef demand has been the root cause of the meat price upsurge, there have been other factors at work. Some would trace it back to the decision of the original EEC members some four years ago to undertake the slaughter of ½m. cows in an attempt to reduce the build-up of the European butter mountain. A significant quantity of potential beef supplies were also lost in consequence. Another influence was the U.S., the world's single biggest beef market, where, in 1971, the maize crop was badly hit by disease and soaring maize prices threw the complex American cattle feedlot system out of gear for a time. Others would argue that what is really to blame is that for many years producing beef was an uncertain proposition economically; at one time or another somebody in the chain of production and distribution, whether it was the breeder, fattener, wholesaler or retailer, was always liable to be losing money.

It is paradoxically also true that the crisis has been aggravated by the confidence which the growing demand for beef at increased prices gave to producers everywhere. Instead of sending a steady number of cattle to slaughter, farmers almost everywhere began holding animals back to increase the size of their breeding herds. Old cows too were kept on for an extra calf, meaning delay in supplies of manufacturing beef.

Whatever the reasons, the net result has been that the promise of cheaper beef supplies, held out on several occasions in the last two years, has turned out to be a mirage. Indeed, last year the hard-pressed British housewife suddenly found herself competing with her Continental counterparts, as the original EEC members attempted to deal with their burgeoning demand and soaring prices for beef by opening up their market to greater imports.

The argument over whether or not the British Government should have curbed home-produced beef exports to the Continent will never be settled conclusively. Sufficient to say that the Government vehemently denied that it was inhibited by the possible political repercussions of such a move on the eve of EEC entry. It took the view that the country would end up worse off simply because imports from other sources, which still make up some 20 per cent. of Britain's beef supplies, would be diverted elsewhere. Moreover, at the height of the political row over meat prices last January it set up an independent panel of inquiry which came to the same conclusions.

The question everybody, both inside and outside the industry is asking is where beef prices go from here. Sooner or later, the consumer, and the distribution side of the industry, must start to reap the benefit of the build-up in beef supplies—even if Britain's adoption of the Common Market's beef support system will limit the extent of any fall in prices to some 10 per cent. below present levels. Some would say that the process is already under way. A sign of the times is that only this week, the EEC restored the full duties on imported beef and cattle which, thanks to the complexities of the arrangements governing Britain's adoption of the CAP in full, could discourage U.K. beef exports and encourage greater imports.

New Zealand lamb

The trouble is that although beef may be more plentiful it may not be very much cheaper for very long because of what is happening in the other sectors of the meat industry. As far as lamb is concerned, New Zealand is expecting to send a smaller quantity this winter because drought has markedly reduced this year's lamb crop. But overshadowing everything else is the fact that feedgrain prices have more than doubled in the past year and feed protein prices have gone up even more steeply.

It is true that the majority of the beef—and all lamb—is reared on grass and therefore its costs of production should not be greatly affected. But the dominant cost in pigs and poultry production is feed. Unless there is the prospect of a very sharp drop in grain prices from present levels, production of pigmeat and poultrymeat will simply not be an economic proposition at present prices.

The net result could be, first, an influx of supplies on to the market as producers cut their losses followed by a severe shortage and prices high enough to tempt producers back into business and make up for the doubling in compound feedingstuff prices so far this year. Certainly, the rise in cereals prices has been quite unprecedented in recent times. It is therefore difficult to avoid the conclusion that without some early relief on production costs, the reaction in meat prices could be equally dramatic.

All in all then, the meat and poultry industry is passing through a particularly trying period in its history. Whether this will accelerate change in what has been a generally slowly changing industry, nobody can be sure. There are plenty of experts to be found to argue that animals are very inefficient converters into protein and that before very long most people will be happy to eat simulated meat made from vegetable protein (though soyabeans are also very expensive at the moment) and only occasionally buy the real thing sealed in a vacuum pack from the supermarket.

Yet most people remain remarkably conservative about food and particularly the most important item in their diet, meat. Although there has been a big swing to poultry meat at the expense of red meat in recent years it is sometimes forgotten that chicken, and for that matter turkey, started out with a luxury image which cannot be ascribed to simulated meats. Furthermore, for all the talk of rationalising the chain of distribution, the livestock auctions still flourish and the independent butcher is still very much alive and in busin[ess in] the High Street. What [he may] not always offer in price [he can] make up for through [skill] and service.

Predictions about EEC entry come to nought

By ROBIN REEVES

Under the Treaty of Accession it all looked reasonably straightforward. The meat industries of Britain and the rest of the world were to have a period of five years to adjust to the enlargement of the EEC to include the U.K., Denmark and Ireland. Between the time when Britain joined at the beginning of 1973 and the end of a transition period for adopting the Common Agricultural Policy in full—by 1978—the U.K.'s traditional policy of a home meat production industry supported by deficiency payments and a market open to beef supplies from anywhere in the world would steadily be phased out.

Gradually taking the place of this policy would be the higher-priced, more protectionist regime demanded by the Common Agricultural Policy. UK meat imports would become increasingly subject to the EEC's variable levies upholding minimum import prices and import duties ranging between 16 per cent. and 26 per cent. depending on the product in question.

All told, it was not one of the most welcome aspects of EEC membership, but spread over five years it was not thought to be too demanding on the British housewife's purse, it might bring some prosperity to some sections of the British meat industry, notably beef production, and it would also give overseas suppliers like Australia, New Zealand and Argentina time to develop alternative markets.

Open market

Well, as everyone now knows only too well, it hasn't worked out like that. But before explaining what has happened in practice it is perhaps worth noting that Britain was not quite the open market for meat supplies it sometimes appeared. Foreign suppliers of bacon were subject to import quota arrangements as early as 1964, South America was discouraged from sending beef by the ban on in-bone meat imports following the 1967-68 foot and mouth epidemic. And at the beginning of the present decade, the new Conservative Government introduced a system of minimum import prices and levies for beef and duty on New Zealand lamb. Moreover, it asked New Zealand to try not to undermine the U.K. meat market and put up the deficiency payments bill by sending too much.

In these circumstances it could hardly be said that Britain was out to attract as much meat as it could at the cheapest price possible.

But be that as it may, when the time actually arrived for Britain to join the EEC, the whole atmosphere of the world meat market had changed radically. Far from fighting to establish new outlets for its supplies, Britain's overseas suppliers have been experiencing no difficulty whatsoever in selling all the meat they can export.

Australia, for example, whose beef exports to the U.S. were at one stage subject to a voluntary quota have been given every incentive to send as much to America as possible to help undermine that country's growing beef shortage. Yet, in Japan, both Australia and New Zealand now have a rapidly expanding meat market much nearer their doorstep. Imports are subject to quotas but these are rising rapidly and the meat is paid for in a currency which has been revaluing rather than devaluing.

In New Zealand, there has been distinct irony in the spectacle of Mr. Joseph Godber, the Minister of Agriculture, who was almost certainly behind the Tory plan to make U.K. imports of New Zealand lamb subject to duty, asking New Zealand to send as much lamb as it can and promising to fight for the best possible access terms into the enlarged EEC in the future.

In Britain itself, the effect of this general world meat shortage on the U.K. has of course been to give the British housewife a very strong foretaste of Common Market prices. Twice during 1972, the original EEC joined the scramble for world beef supplies by reducing its barriers against imports. On both occasions there was a sharp increase in U.K. and Irish beef and cattle imports to the Continent, at the expense of the British home market, and the second instance, U.K. beef prices shot up some 40 per cent. to virtually the same level as was ruling in the EEC. The U.K. supply situation was also not helped by the opening of the French market to U.K. lamb exports which were shipped across the Channel in large quantity.

Import duties

The near free market conditions in beef trade between Britain and the Continent lasted in fact until the beginning of this week, when the Community restored the import duties to 16 per cent. on live animals and 20 per cent. on carcase meat.

On the face of it, this appears to indicate that beef prices in the EEC are back to square one. But it is sometimes forgotten that as a result of this year's farm prices battle in Luxembourg, the general EEC beef price floor has been hoisted by 10.5 per cent. EEC beef prices have fallen back but to a higher floor price.

Yet paradoxically the workings of the trade arrangements with the Six could bring some further lowering in U.K. beef prices. British beef exports to the Continent are now liable to four-fifths of the full EEC duties. This should make carcase exports to the Co[ntinent] less attractive, while [live] animal exports have in a[ny case] been banned since Ju[ly on] humane grounds.

The same applies to Iri[sh] exports to the Continen[t with] the result that it is calc[ulated] that more Irish supplies [will] be diverted to the U.K.

The other side of the c[oin is] that Britain is required to [impose] duties against third c[ountry] beef suppliers which of [course] includes traditional su[ppliers] like Australia and Arg[entina]. But, at the present stage [of the] transition period, these are relatively small and, [more]over, they are subject to [adjust]ment under the CAP a[rrange]ments for offsetting the [effects] of a devaluing currency o[n] trade. There is a hope th[at] that the beef may be [more] plentiful in the U.K. than [it has] been in the recent past.

In pigs and poultry, t[he] worries prior to Britain's [acces]sion to the Community [were] first, that the U.K. pig in[dustry] would suffer ruinous c[ompeti]tion at the hands of De[nmark] once it was freed of its [bacon] quota under the British [Bacon] Market Understanding [and] second, there would be [fierce] competition between the [Con]tinental and U.K. poult[ry and] egg industries.

Nothing could have t[urned] out to be further fro[m the] truth. Despite the phas[ing out] of the subsidy paid to [Danish] bacon curers and the pa[yment] of a large export subsidy [(com]pensatory payment) on [Danish] bacon exports to Britain [to off]set the Danes' higher feed [costs,] the market has gone [from] strength to strength. Den[mark,] in practice, quickly found [profit]able markets for its pigs [and] poultry) in the original S[ix and] was content to hoist the [price] of its bacon in the U.K. a[s high] as the market could bear. [There] are now difficulties in th[e pig] industry but this is the [result] of the steep rise in feed [costs] and not the Common Mar[ket].

Eggs industry

The eggs industry found [itself] in the same situation [as] earlier on. It was bracing [itself] for an invasion of eggs [from] the Continent with the a[id of] a compensatory subsidy. Britain's accession to the [Com]munity very soon coincided [with] the appearance of a cyc[lical] shortage in Europe and prices have been going up since.

Poultrymeat of course has [been] enjoying a buoyant [market] everywhere because of the [high] red meat prices, although [some] sections of the poultry indu[stry] now face the same cost diff[icul]ties as pigs.

In short, all the feverish [cal]culations by politicians and industry of the EEC's lik[ely] effects have come to noug[ht]. Instead, the whole question [of] adjustment has turned out to [be] totally overshadowed by eve[nts] on the world meat and gr[ain] markets. It will be some ti[me] before trade in meat and poult[ry] starts to behave according to t[he] programme laid out in the fi[ve-]year transition period, if it e[ver] happens at all.

Sale ring at Banbury Market.

MEAT AND POULTRY III

Price rises boost farmers' confidence

y J. O. CHERRINGTON, Agriculture Correspondent

The soaring prices for beef d lamb at the end of last year ve done more to foster rmer's confidence in the ture of this side of the dustry than all the subsidies d exhortations by successive nisters of Agriculture. The e was indeed dramatic; by out £5 per live hundredweight £50 per head over the last ar months of 1972. Since then little of the bloom has come the market, and it is stand- g at significantly lower levels an it did at the peak last nuary.

The rise meant that most rmers were receiving a profit ll above their budgeted pectations, but the cost of eir next cycle of production as soaring. For just as the ice of the finished cattle were ing so was the cost of the ores needed for their produc- n. Friesian bull calves rose price by about £30 a head and ler cattle in proportion. In ct in most cases the profit s had to be re-invested at ch a higher figure that the nanza was no more than a nporary phenomenon.

The main beneficiaries have en dairy farmers selling their n calves for fattening, and e specialist breeders of store ttle from suckling herds on ll and lowland farms. The fect on dairy farmers have en particularly marked. Their turns from calf sales have en extremely high, best calves ve been making between £50 d £80 depending on breed d quality at a week old, and e general surge in prices has rried over to the cull cow arket as well, with fat Friesian ws making very nearly what ey cost as first calf heifers.

Self finance

For the first time that I can emember, dairy farmers have een able to finance their own eplacements almost entirely om the sale of calves and rplus stock, which will go ome way to helping to pay for eir very high feed costs this inter. Many dairy farmers of ourse raise their own calves for eef, especially where they have arable crops on the farm as well. But if a calf can be sold for £70 or so at three weeks old, there must be a great tempta- tion to sell it, because at that figure there can never be as much profit left in it again.

In general, hill farmers failed o share in the last autumn's rice boom to the fullest ex- ent, because the main sales of their stock were over by the time the rise started, although the prices received were already above the previous years. However, the message has got through now and as an illustration of present confidence the cost of incalf beef cows and growing heifers has been at record levels.

Production of beef is certain to go up further as the total numbers of cattle in the United Kingdom has risen by one million since the June, 1972 returns and this increase will probably continue. However, forecasting the actual output of beef is no easy job. In spite of increased numbers on the farms last winter, slaughterings were actually less than they had been the year before.

For this there are a number of explanations. Increased numbers were being kept on in store condition because of the expense of feeding stuffs, to be fattened on summer grass. More of the females would be kept to add to the breeding herds. The number of incalf heifers in England and Wales has increased by 80,000 from March, 1972, to March, 1973.

The price prospects for beef for the next six months are still unclear. There has been a slight fall in prices of fat steers, heifers and cull cows. This could well be due to a fall in the number exported. The export of live cattle for slaughter has been stopped during the last month pending report of the committee set up to examine the traffic and there is the possibility that the EEC will reimpose the balance of its duties on beef imports in September. Beef exports played a significant part in the price boom last autumn, and although in the first quarter of 1973 they were still running at a high level, this was lower than those in the preceding quarter.

EEC price levels

There has been a marked price fall on the Continent from the very high levels established earlier in the year, and if this continues it could have a marked effect on British farmers plans, as EEC prices would have been bound to be reflected in prices here.

This uncertainty makes it very difficult for farmers to plan their future output; the soaring costs of feeding stuffs alone make any calculations of the returns from beef a most inexact exercise. Many farmers will be inclined to play safe and winter their animals on forage materials, hay and silage from their own farms, and keep their animals to fatten out next summer on grass. The beef shortage that a wholesale adoption of this policy could bring would of itself be a means of price maintenance next winter.

Penned blackface sheep on a farm in Glen Clunie, Aberdeenshire.

There is no regulation and no support for sheep under EEC rules except the Common External Tariff. The U.K. price is guaranteed at the Price Review and in practice supported by the export of limited numbers, mainly to France. The lamb trade has been extremely good, and in spite of the gradual increase of the French tariffs, the home trade has kept well up, partly because consumers feel that lamb must be a better buy than beef at high prices. No subsidy has been needed for a number of months.

The increase of sheep population is slow about 4 per cent. but given a continuance of the present high prices is likely to be maintained. An encouraging feature is that young ewes are up 14 per cent. However, the scope of lamb production is limited to the expansion of flocks on lowland farms. The hill farms are already stocked. The attraction of grain and other arable and less demanding crops will probably keep this expansion to the minimum. Sheep however can thrive on the minimum of concentrated feeding stuffs, and are likely to be attractive to farmers while the present scarcity lasts.

Pig and poultry producers are going to face a difficult time as long as the very high price for feeding stuffs persist. There is in the EEC no direct support for poultry meat, and that for pigs is nothing like as substantial as the present British guarantee which until August 1 took the cost of feeding stuffs into account. This has now been abandoned, but the guarantee has for the moment been consolidated at the highest figure. The only clue to what will happen under full EEC membership terms is that in the Six production of both these items has been highly cyclical, periods of high prices being followed by gluts followed by shortages and high prices again.

Although sow and gilt numbers were up in the June returns there are now signs that the present shortages and difficulties with feed are having their effect.

Store pigs are becoming difficult to sell and this lack of confidence is bound to spread. However, nothing much can be done to reduce stocks in the pipeline, as all the pigs due to be produced over the next nine to ten months are either conceived or in the course of fattening.

Limits of new methods

y J. O. CHERRINGTON

In spite of the expenditure a great deal of effort and ney on all sorts of techniques the production of beef the gress achieved has been ited. The great discovery that ley fed *ad lib* to Friesian ves would produce a mature case for every two tons fed, foundered beneath the ing cost of barley and res. Its substitute technique using grass and silage, and y a limited amount of barley also shown signs of cumbing to the same inexor- e economic pressures.

he first system took about months to produce results, second about 18. To-day if want to save the half ton so of barley that is needed the second winter, to com- nent the animals' diet of ge, you must keep them to e through a second summer. there is a difficulty here. Friesian steer—and 70 per of all British dairy cattle, main source of beef, are sian—is more a grower than ttener on grass, and will not ly mature on grass feeding l he is 2½ to 3 years old.

Not fashionable

he beef produced at this size excellent, although not ionable in the British hery trade which has been ured on small, well finished, ases, although it is what the tinental housewife is well to. The grazier would er to use a cross with a beef d, and several, the Hereford articular, cross extremely with the Friesian. These fatten at light weight on s at about two years old or

e trouble is there are not ly enough of them to satisfy demand. Because dairy ers need to rear their replacements, the majority airy cows have to be mated Friesian bulls, and only a rity can make use of pure bulls. This highlights one e greatest needs in modern al breeding to-day, the determination of sex on conception. If it were possible to do this, farmers would be able to set aside a limited number of their best cows for breeding their replacements, in the certainty that these would all produce heifers and the remainder could be made to produce beef cross calves.

Some work is going on in these fields, and Dutch researchers are claiming a 60 per cent. success rate. But this should not be taken as a complete breakthrough, as the sex ratio of calves born is 50-50 under normal breeding conditions. But it is at least a step in the right direction.

Another technique which has enormous possibilities is the development of twinning. At present the ratio of twins in cattle is about one in 80 births, about the same as in humans. If only cows could have the same ratio as sheep, say 50 per cent. of all pregnancies, the beef shortage world-wide would be solved. (Although feeding the increased cattle population might lead to problems.) The late Sir John Hammond at Cambridge tried to increase the percentage of twins by hormone treatment, but the trouble was that the pregnant cows had multiple conceptions with anything up to eight or 16 foetuses, and the experiment failed.

A new technique has been developed at Cambridge which involves implanting fertilised ova in the cow's uterus. So far success has been limited, but the possibilities are immense because cows produce many more ova than they can ever make use of in their life time. A calf born from this technique was shown at the last Royal Show and a number of successful twin births has also resulted. This is all in the experimental stage at present, but I can remember when artificial insemination of cattle was at the same stage more than 30 years ago.

Besides the possibilities opened by sex determination and twinning, the actual breeding policies involving the importation of foreign breeds are relatively less important. Because most pedigree beef cattle breeders followed a policy of breeding smaller and smaller cattle, farmers looked for breeds which would make their calves bigger and grow faster. There were none to be had in Britain, so they thought, so they looked abroad. The first choice was the Charalais, and some were imported amid the howls of protest from most beef Breed Societies.

The Charolais has been followed by others, all of whose characteristics have been size, fairly quick growth rate, and the production of heavy carcases with far less fat than used to be produced by British beef breeds when mature. I am not going to suggest that any of these breeds is better than the others, and for crossing with the Friesian some of the British breeds are probably superior. But there is no doubt that their importation has been an excellent thing for the industry.

One of the better ways of increasing meat production from any male animal is not to castrate it. Bulls and boars have a faster growth rate and a higher proportion of lean to fat than have castrates. Until very recently the production of bull beef was illegal because of the Bull Licensing Act. The practice though is widespread on the Continent, and it is being developed here. The trouble in present circumstances is that to be effective it should be used for young animals, and this would mean using concentrated feedingstuffs. In France, in particular, various methods of intensive bull fattening have proved uneconomic latterly, because the high costs of feed don't match the prices received on the market.

The objection to boar meat is based on what is called boar taint, but work at the Meat Research Institute has shown that the danger of this happening at the porker or baconer stage, is negligible and that boars mature faster, and have lower fat proportions than castrates. There is no doubt that if the prejudice against boar meat were to be removed, and it's a prejudice based on tradition more than anything else, there would be scope for a significant breakthrough in production.

In connection with intensifying beef production a good deal has been made of the prospects of maize for silage but it is a crop which is not yet as well adapted to British conditions as it is to those in France. It is probable that there is still scope for improving the production from grass, and its efficient conservation is not yet sufficiently exploited by farmers.

Sheep have been the Cinderella of the British farm for many years, less money has been spent on their development than on any of the rest and a few years ago the Advisory Services were more or less advising their extinction on many farms where alternatives could be exploited.

New strains

A few pioneers have tried the hard way to breed new strains, with results that while satisfactory to them have not as yet caught on with the main run of farmers. What practical development that has gone on has been in techniques to adapt them to arable farms where it has been found that under proper management they can give very good returns indeed. The importance of this arable farm technique, is that they can be grazed on fresh pastures which does enable them to keep free of the parasitic problems that are inseparable from old permanent pastures.

In conclusion it must be said that most of the above developments have been effected at a time when the industry was kept in a financial strait jacket. Now that prices are better there will be opportunities for a much more intensive development programme all round.

MEAT AND POULTRY IV

Worst over for distributors

By R. J. LICKORISH, Editorial Director, Meat Trades Journal

Dragged protestingly towards European price structures during the past 18 months, the meat distributors of this country console themselves with hopes that the worst is over. Promised on many unforgotten occasions that transition from cheap meat days in this country to the realities of EEC values would be sedated by time, they found themselves propelled willy nilly into hitherto unexplored and seemingly exorbitant price dimensions.

It brought with it all the frustrations that accompany a situation where less meat had to bring more money into the till. It created the aggravations which all along the line go hand in hand with predominantly personal service and where customers who visit a shop two or three times a week and have to part with more money incline to take it out on the people behind the counter. In practical butchering terms it meant the knife and cleaver had to break down bulk into smaller and smaller pieces with the incidence of waste and loss rising proportionally as the commodity became more valuable.

Small wonder there were those momentous "beef rows" which, even if they talked meat dear, at least had the merit of diverting the customers' attention away from face-to-face shop-floor confrontations and into the wider areas of world supply situations and political responsibilities for dearer food strategies.

Between January and March this year, retail prices of beef reached averages of 40 to 50 per cent. higher than in the comparative 1972 period. This was not quite all, for in their search for some economy consumers went for the cheaper cuts, which consequently showed the highest rate of increase.

Pork prices

In the same period, home-produced lamb went up by 30 per cent. and frozen lambs by more than 40 per cent. Pork—that "fall-back" meat — increased in price by about a third and poultry was given a bonus; frozen broilers fetching nearly 30 per cent. more than they had in the 1972 months.

The cut-back in demand at the time of the "beef row" caused severe problems for wholesalers and, while the worst of this was short term, they have not seen since that time the buoyancy which they require to trade well as bulk handlers.

In addition to a lack of resilience in the market place, the slaughterhouse operator has witnessed the outflow of livestock on the hoof to Europe. Loudest opposition to this has come from animal welfare organisations, but it is an undeniable pact that if this trade is stopped indefinitely—if it can be within the EEC context—and European exports are confined to meat "on the hook," the large investments in abattoirs and plants in this country would be better utilised and probably more owners would be prepared to bring their premises up to EEC requirements. There would be the additional bonus of increasing the availability of edible offals, inedible by-products, hides, etc., to processors in this country.

By and large the higher price structure has not altered the patterns of procurement, although there has been a tendency for some producers to revert from deadweight to live weight sales on the rising market.

There has, however, been further growth in meat packing where, instead of marketing carcases or quarters, the product is processed at slaughtering point to a "market ready" stage in the form of primal cuts in cartons. The advantage here resides in the greater flexibility this provides. The restrictions on selling a carcase of beef as two sides or four quarters are giving way to the more profitable possibilities of diversifying into selections of cuts.

Traditional methods of distributing meat still account for the majority of sales, but the facilities for breaking down carcase meat have increased.

One particular section which showed great strides is in the provisioning of domestic freezers. This has become big business and a reasonable prediction is that it may account for as much as 10 per cent. of retail meat sales by 1980. The attraction for the butcher is the bulk cash sale potential together with the ability to market other frozen products: ready-to-bake items, ice-cream, vegetables, etc., direct to meat purchasers.

One advantage for the butcher here is his ability to use his craft to cut meat the way his customers are used to and in technical know-how in quality control, hygiene, freezing techniques and general temperature control.

Larger butchers and some plants have created extensive departments to butcher and make up packs for the big freezer firms that have become so prosperous.

This freezer trade is obviously here to stay and it is something of a surprise to the meat traditionalist that the "carriage trade" type of customer who now owns a freezer will so willingly eat frozen meat when not so long ago "farm fresh" only would have suited him.

Cheaper end

The acceptance of frozen meat puts a new dimension into what has been the cheaper end of the market, historically anyway. The probabilities are that quality for quality the differences in cost between the frozen and fresh product will diminish with a consequently enlarged market for the former.

This will extend the scope for overseas shipments of market-ready and portion control packs of beef and lamb which are already increasing for the catering trade. Possibly the rate of progress in this direction will be conditioned by costs of labour at source and by freight rates as much as by consumer demand.

There has been a grea[...] of talk during the high[...] phase about the use of substitutes, analogues or proteins. In quite a few around the country, edu[...] committees have paused propositions that they substitute "spun meat" [...] real thing and where the[...] agreed to do so, there d[...] appear to have followe[...] reportable disturbance[...] dinner strikes.

Quietly, but more wide[...] has been the use of these proteins in meat pro[...] rather as edditives or "[...] one hastens to add, than [...] plete replacements for t[...] thing. This is not surpr[...] it is appreciated that so[...] other high protein p[...] have for many years bee[...] by meat manufacturers.

Substitutes must h[...] place in any high pric[...] era but until they [...] created to grill or roast [...] real thing, their invasi[...] traditional supplies is li[...] be gradual rather [...] phenomenal, yet the u[...] 10 per cent. substitution [...] "fillers" would release [...] stantial tonnage of real [...] the trade.

Processors see quality raised

By JEFFREY BROWN

The meat processing industry plays a vital role in feeding the nation—not only feeding it but doing so effectively, efficiently and economically. In this country meat processing and manufacturing has reached a stage of sophistication equal to any, vast sums of money are spent annually on up-dating plant and equipment and new and more stringent methods of quality control are constantly being devised.

On the one hand the supply and price vagaries of the industry's basic raw materials—beef, lamb, pork, veal and poultry—have pushed the meat processors into a position of high efficiency, while secondly the whims of consumer demand have been equally effective in raising the quality of the finished product. The search for areas of improvement is a continual process, and one reason for the industry's surveillance is that food markets tend to be distinctly sluggish in terms of growth.

Enormous market

If anything a country's demand for edible products will grow in proportion to its population—which in the U.K., with its fairly stable birth-rate, is not very fast. Yet overall markets for food are enormous and within every large market there is always room for manoeuvre—and for the meat processors this means new products. Whether truly new or simply variations on established themes, new products provide the processors and manufacturers with sales flexibility.

For many years new selling lines have emerged from the processed meat industry mostly in the form of "convenience" foods, where, for example, the brand leader in canned products is probably the traditional English steak-and-kidney pie. In non-canned meats the marketing men have tended to concentrate upon pork products—sausages, hams, individual pies and the like. Of the two, the non-canned processed sector has seen the more far-reaching industry shake-ups—for example, an end to bacon stabilisation agreements and some massive company rationalisations — but canned goods too have experienced a reasonable share of changing conditions.

Basically, canned meats break down into two categories, colds and hots. Ham, luncheon meat and corned beef come into the former sphere while hots (contents which need to be heated before eaten) take in steak chunks, minced meat and pie and pudding fillings. The canned meat industry is very fragmented but the signs are that it is becoming less so. Tyne Brand (Spillers) for one, claims its market share has roughly doubled over the past three years.

Elsewhere, in canned hots the major names include Fray Bentos (Brooke Bond), Marks and Spencer and Sainsbury's own-label brands plus Tom Piper which is Australian manufactured but marketed in the U.K. by Smithfield and Zwanenberg, now part of the S. and W. Berisford group. The market for canned hots is expanding slowly, the industry's promotion bill (which was negligible a few years ago) is now probably over six figures and the sector is perhaps no longer a modest backwater.

The market for ready-to-eat canned meats (colds) is probably even more fragmented than its hots counterpart. Certainly there is a long history of importing which many within the industry regard as outright dumping. However, the U.K. does have strong trading links with Denmark and Holland, hence the existence of brands like Plumrose and Old Oak. At home the market leaders probably amount to Fray Bentos, Spam (Fitch Lovell), Unox (Unilever) and, once again, various retail chain own-labels.

In many areas of non-canned processed meats foreign competition is unknown, purely because of the perishable nature of the product; sausages and pies, for example, have a shelf life of barely two days. Distribution problems are one reason for the large slice of the sausage market still held by the individual butcher who does not have to distribute his perishable output long distances from the manufacturing table. The retail butcher still controls about 30 per cent. of the total U.K. market whereas Walls (Unilever) is probably the individual brand leader, with a market share of less than a tenth.

Major brands

Unilever also owns the Richmond brand, while elsewhere the other major brands include Brazils (Scot-Bowyers, part of the Unigate group), Harris and Marsh and Baxter (FMC) and Telfers (J. Lyons) which are mostly sold wholesale to the catering industry. On a more regional basis there is the Glasgow-based private company McKellar Watt, while Fitch Lovell also has a sizeable stake in sausages based on some solid regional market shares.

But the meat processing industry is not solely a story of sausages. Scot-Bowyers, for example, is very much in the pie business and so too is Pork Farms which, with Scot-Bowyers enveloped in the folds of the Unigate group, remains just about the one sizeable independent in the trade. Its major production lies with high quality pies of the Melton Mowbray variety which it markets aggresively in the Midlands and also in London. Based in Nottingham, the company came to the stock market towards the end of 1971.

At Scot-Bowyers the emphasis is on taking the pig as raw material and utilising the animal to the highest level possible. Thus the group is in the thick of the bacon and hams trade as well as sausages, pies and various cooked meats. Until the latter part of 1972, when it agreed to a bid from Unigate (a dairy and transport combine), Scot-Bowyers was a fast rising independent the product of a merger barely eight months earlier between Bowyers (Wiltshire) and Scot Meat Products which at the time looked, and subsequently proved to be, a "natural" marriage.

Rising production costs cause worry for bacon producers

/ PETER BELL, British Farmer and Stockbreeder

Bacon has come a long way ice the front-line soldier in : World War I play, Journey's d, pointed proudly to a rasher th a tiny patch of lean in an panse of fat. Now it is a oduct where a millimetre of ckfat more or less can make difference between profit d loss for the producer, the rer, the wholesaler and the ailer.

And there's a lot more to it in that. Stripped of a variety protective devices, British con to-day has to take its ance in competition with fresh at and other proteins, natural d artificial, in a Community of ie which is more or less self-ficient in pigmeat.

It is, furthermore, in even re direct competition with con from other Common rket members—notably Den-rk and the Irish Republic—under reduced challenge from rd countries like Poland and eden.

The two factors which hold key to the future are thing new: the cost of produc-n and the strength of the rk market. The first of these s however lately taken on a w and worrying significance th the recent escalation of edingstuff prices.

Harvest season

No one knows how pig feeders ork as well as bacon) will be iced next month, let alone in months' or a year's time. It a problem with which nister of Agriculture Mr. seph Godber and NFU Presi-nt Sir Henry Plumb will be appling during September ien the harvest situation in e U.K. and the northern misphere in general will be earer.

Pigs and poultry, dependent they are on bought-in feed, e particularly vulnerable to es in feed prices, and the inister may have to act if the pansion he has sought is in nger of turning into a reces-on. For the moment the overnment is praying for good arvest weather even more evoutly than are farmers.

Whatever the outcome, the act remains that the days of relatively) cheap feed are one for good, and with them he days of (relatively) cheap ood. It is in this climate that ig products of all kinds will ave to face the future. They ill not face it alone. To a eater or lesser extent all her other meats are in like ight, though not always for e same reasons.

Judging by present indica-ns, feed prices can be pected to level off and even fall a bit. If this is so, the ure for good bacon, and ecially good British bacon, st be hopeful: perhaps even re certainly for pork.

We like our bacon, and a gressively more affluent ulation will be prepared to a competitive price for it ile grumbling about "the adful cost of food these days," though showing less concern about the cost of cars, colour television, hi-fi equipment, washing-up machines and other necessities of the 1970s).

To put to-day and to-morrow into perspective it is necessary to take a look at yesterday. Let us concentrate on bacon to start with. It is as peculiarly British as cricket, the Tower of London and the Changing of the Guard. Denmark even went to the length of tailoring a large slice of her economy to producing high quality bacon specifically for the U.K. market.

Thanks to breeding policies, market discipline and exemplary advertising she attained a reputation for quality and reliability that left an ill-organised home trade toiling in the rear.

Curiously, the home trade was at a basic disadvantage; it is much easier to muster exports to a certain standard than to organise a miscellany of home producers to market to a given quality from a variety of pig breeds kept under a variety of systems for a variety of purposes.

The pig cycle became a sort of sick joke. When pig prices were good, all sorts of men went into pigs; prices fell, borne down by the weight of inflated supplies; so there was an exodus from pigs; prices then rose because of shortage of supplies and the cycle began again. Meanwhile, the Danes and others profited from the U.K. muddle.

Happily, the past decade has seen a vast improvement in the situation. A useful basis was laid down when the International Bacon Market Sharing Understanding was negotiated in 1964. The market was divided according to levels of supplies at the time, and there was provision for countries to win bigger shares from those who did not fill their quotas.

A couple of years later, a curing industry, which was in danger of going under because it could not cope with the strength of the pork market *and* compete with the Danes, was given Government aid to tide it over difficult patches on the understanding that it paid money back in times of prosperity.

This proved to be a subsidy for all practical purposes. The curers were able to pay back about £¾m. against receipts of over £75m.

The British Bacon Curers' Federation pointed out, with a good deal of justice, that the Government would have had to pay out even more under the price guarantee arrangements (now being phased out as we move over to the common agricultural policy of the EEC). It added that the survival of the home curing industry had helped pig producers to survive and had resulted in £30m. a year being saved on imports.

The Danes complained bitterly and insincerely. While U.K. subsidisation was overt, theirs was covert—a fact which emerged when Denmark joined the Community without any transitional period. The move in bacon prices gave the game away.

Britain, of course, has had to renounce both the stabiliser (as the "loan" arrangement was called) and the Market Sharing Understanding. So it can now be said that all competitors (except third countries) are equal. Britain, however, is more equal than Denmark, to the extent that it is easier to service your own market (now well organised) than for an exporter to do so. For his/her part, the consumer has to pay the full price for the product.

Improved quality

The enormous improvement in the quality of British pigs must not be forgotten. The curing industry, led by the politically expert Sir John Stratton, aided and abetted by the NFU, year by year pushed up pig grading standards. An animal which would have graded A1 a few years ago, might to-day not grade at all.

This, and other factors, tended to push the in-and-outers (who helped to fuel the pig cycle) out of business. To-day the industry is one for professionals. This has made for stability and quality, with many more producers under contract to specific bacon factories than in the past. Others have set their sights at the pork market.

All the same, the latter can be a second line of defence even for the bacon producer—a fact which certainly keeps the curers on their toes. They are now subject to an agreed code of curing practice and are much more alert to the niceties of producing a commodity acceptable to the public. Emphatically it wasn't only the producer who needed to improve.

There is now a readily-available choice of cure (mild being favoured in Scotland and the South, and salty in the Midlands) and also prepack or Wiltshire side. Be it noted that the Danes have shipped from supplying almost half the U.K. market to parity with Britain, who has climbed steadily up the supply ladder. It has been a long struggle. From now on the race will be even more to the swift. This autumn, for the first time ever, the curers are spending a sum on advertising which bears some relationship to the routine expenditure of the Danes. The cry will be that British bacon is an every-meal meat.

Bacon—whenever eaten—is half as expensive again as it was a year ago. But the same goes for rival meats, including pork. If there's no disaster on the cost-of-production front, bacon should be able to hold its own, with the U.K. supplying half the market, Denmark three-eighths and Ireland and Holland the rest. But the market will be a smaller one than in the past because of cost—say 10,000 tons a week instead of 12,000.

A vastly improved pig and bacon industry can hope for good prospects. But it will get more help from the beef/lamb shortage than from the mechanism of the Community's CAP.

Slicing bacon at a rate of approximately 4,000 rashers a minute at a T. Wall and Sons factory.

Poultry meat to the fore

PETER BULLEN

ultry meat became the id most popular meat in sh homes this year. Almost ticed it overtook lamb and and even the traditional nal favourite, beef, was in er of being ousted by the newcomer.

the first three months of year—admittedly at the it of the red meat price —the consumption of ry meat soared to a record oz per person a week ding consumption in urants, canteens, and institutions. Beef consumption was a mere mouthful more at 6.26 oz and lamb and mutton at 4.98 oz and pork at 3.29 oz lagged well behind.

Seen against the background of comparative costs of the meats the rise in popularity of poultry meat is not surprising. During the same quarter the average expenditure on beef was 21.10p per person each week, 11.5p on mutton and lamb, 8.45p on pork but only 8.43 on poultry.

But since then this price advantage of poultry meat has been dealt a severe blow by the world protein shortage and soaring feed prices. In turn wholesale broiler prices have reached the highest point for more than a decade and retail prices are following suit. A year ago a three lb broiler would have sold for about 17p a lb. Now the price is around the 25p a lb mark and still rising.

Breeding stock

The industry fears even further price increases will have to be made unless the cost of feedingstuffs falls dramatically. Lord Edward Fitzroy, chairman of Ross Poultry, which produces more than one in four of Britain's broilers as well as exporting breeding stock to several countries including America, has said broilers could cost more this autumn and by Christmas turkeys could be as much as 8p a lb above the 25 to 28p a lb levels of last December.

Feed bills account for 65 per cent. of the total cost of producing the modern broiler and the increases in feed costs this year have been awesome. This autumn, compared with May 1972, the various ingredients will have risen by 475 per cent. for herring meal; 450 per cent. soya; 420 per cent. extracted groundnut; 400 per cent. South African fish meal; 96 per cent. wheat feed; 78 per cent. maize; and more than 64 per cent. for wheat and barley.

With other increases in costs such as labour, transport and day-old chick prices, poultry farmers have found the cost of producing one lb of chicken meat has risen from under 5p to 7p—a 40 per cent. jump which has probably gone up by another 10 to 20 per cent. since the figures were worked out in mid-summer.

According to Dr. D. H. Shrimpton, chief poultry adviser to BOCM Silcock, the biggest animal feed manufacturers in Europe, the high cost of traditional protein ingredients has prompted everyone to look closely at possible alternatives but there is unlikely to be any great changes made in feed formulation for some time yet.

The disadvantage of most of the alternatives such as field beans, oilseed rape and cotton seed is their low protein con-

Continued on next page

MEAT AND POULTRY VI

Concern over profit margins on eggs

BY JOHN EDWARDS

Considerable changes in the eggs industry have taken place during the past year. Egg prices have soared to record levels—about double what they were a year ago—and it is generally expected that there will be further price increases by the time the seasonal peak selling season before Christmas is reached.

Despite these much higher market prices, however, there is still considerable anxiety about profit margins among egg producers, many of whom claim that higher prices yet will be needed to achieve an adequate return.

The reason for the higher prices, and the concern about profit margins, is the same—a tremendous upsurge in costs of production, especially feeding-stuffs. Feed is estimated to account for some 70 per cent. of the egg producer's total costs, so naturally it has a vital influence on profits and eventual selling prices.

The huge rises in the costs of cereals, and proteins, used in animal feedingstuffs during the past 12 months has been well documented, with the Price Commission approving several increases in the price of compound rations. Suffice to say that the egg producer is on average reckoned to be paying over £75 a ton for his feed, while a year ago it was just over £40 a ton. Feed costs alone are now thought to be around 20p a dozen, although some of the big producers can obviously make savings in this area by buying large quantities and purchasing forward. There is every indication that these feed costs will continue to rise, despite the recent easing in grain markets, because of the time lag in passing on higher prices and the amounts absorbed by the compounders.

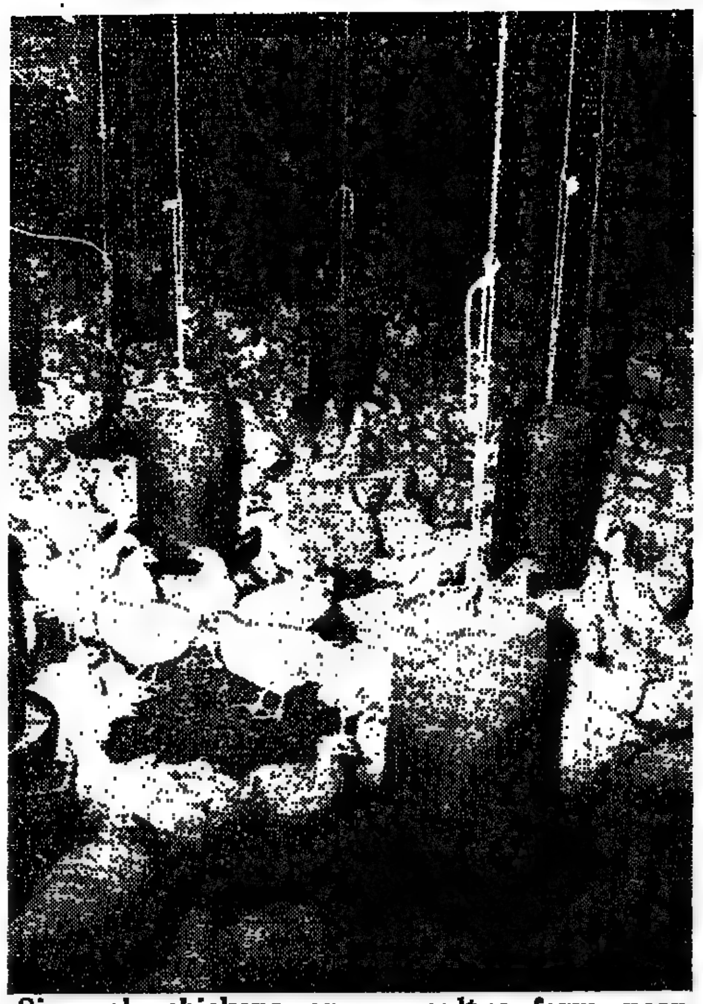
Big unit

Other costs of production have also risen, probably more for the big producer than the big unit, and it is calculated that it is now costing on average over 25p a dozen to produce eggs. Add to this basic production cost, the margins needed by the producer, packer, wholesaler and retailer, and it will be seen why there is growing pressure for higher and higher prices.

Comparison with last year's egg prices is not realistic, since a surplus of supplies in 1972 depressed prices to artifically low levels inevitably creating the cutbacks in new production that has brought the present shortage of supplies. Chick placings were reduced to only 48m. birds in 1972, compared with 64m. in 1969—a huge decline. This year there are signs of a recovery in chick placings, with a definite upturn in May and June, but the first half-year figure of 25m. was in fact below the first half of 1972 of 28m., and very much down on previous years.

Improvements in yields of eggs per hen, because of better breeding stock, and more success in fighting diseases obviously is helping to boost production, but the industry does not expect really adequate supplies to be available until next year, unless the higher prices bring a significant downturn in demand. The big surprise this year has been imports from the EEC—or rather the absence of supplies from the other members of the enlarged Community.

Last year, prior to Britain's entry into the Common Market,



Six-week chickens on a poultry farm near Malden in Essex.

it was being predicted that any shortfall in U.K. production would be quickly filled by a flood of imports from the EEC countries, assisted by an export subsidy roughly equivalent to 2.5p a dozen agreed under the transitional arrangements. In the event this simply has not happened. There appears to have been a miscalculation of the supply-demand position on the Continent: instead of huge surpluses building up there demand has kept well up with available supplies and prices have remained sufficiently high in Continental domestic markets to discourage a great deal of exporting.

At the same time higher prices than those obtainable in Britain have been offered by buyers in the Middle East and the U.S. Imports from Europe have been coming into the British market, but only at the higher price levels and not in sufficient quantity to depress prices significantly for any length of time.

However, past history has shown that the situation in the egg industry can change very rapidly. Apparent acute shortages of supplies have been known to turn quite quickly into surpluses — the difference between a shortage and surplus often being very small in relation to the total market.

At the same time there has not apparently been the disappearance of producing units feared last year when prices were so low. Producers forced out of business by cost pressures in many instances managed to dispose of their producing units to the larger companies, who had the resources to ride out the period of depression. These big groups—now even bigger—are now expanding fast to fill the shortfall in supplies, notably the giant Eastwood group, who announced in January a huge expansion in production much to the consternation of many competitors, who thought the move premature. Eastwood's decision to expand, and break away from the Goldenlay marketing consortium, has meant greatly increased competition, especially for what is known as the High Street trade, and this may well bring more price competitiveness when the supply shortages are retrieved.

No control

The fragmentation of the egg producing industry since the demise of the Egg Marketing Board some three years ago has meant that there is no overall control in tailoring production to meet demand—it is a truly "free" market where each individual producer makes his own decisions and the only influence on production is the market price received.

An announcement is expected to be made shortly by the Ministry of Agriculture about the future of the Eggs Authority, established in March 1971 as a successor to the Marketing Board but with very limited powers. A review of the Authority carried out this summer was required because from next March the Government subsidy to egg producers, from which the funds to finance the Authority are deducted, is due to be finally phased out. It is expected that the Ministry will favour continuing the Authority, with funds provided by a levy on the industry. But many producers have said they will not pay the levy unless given a stronger voice in the Authority's decision—if they pay the piper, they should call the tune, it is argued.

The Government, however, see a wider role for the Authority as it is now representing as well the interests of other sections of the industry, and most important of all, the consumer. The net result could well be an Authority with even less power than now. Certainly it will not be able to exercise much control over the fluctuations in supplies and prices that are likely to continue in the egg industry in the years ahead.

CONTINUED FROM PREVIOUS PAGE

Poultry meat

tent plus the expense of altering storage and processing plants to take them.

What is exciting animal nutritionists, however, is the development in man-made proteins such as ICI's proposed £15m. plant to produce 100,000 tons of protein a year from North Sea gas. Even if the peak protein prices of £250 to £280 a ton eventually level out at £100 a ton below these peaks they will still be at the point that will begin to justify the massive capital injection that artificial protein production demands.

But the poultry industry is facing other major worries as well as feed costs. An acute labour shortage is developing in packing stations where Phase Two restrictions are keeping wage levels at unattractive rates compared with other employment.

Ross Poultry are 600 below the 4,500 establishment level needed and the whole industry has only about three days' supply of chickens in the pipeline at present—a dangerously low margin. Chick placings are being cut back to slow down the throughput at packing plants and this will add fuel to the increasing prices fire just at the moment the industry was making its greatest impact on the overall meat supply market.

Britain's Common Market entry has also brought a string of problems. Few of the other EEC countries can approach the U.K. in terms of competition. Britain is virtually self-sufficient in poultry meat and exports widely in Europe. But EEC regulations may alter the picture soon.

One such regulation due to come into force before the end of the year would stop the growing export trade with other EEC countries overnight. It calls for all exports to come from licensed packing stations measuring up to certain common standards and having teams of inspectors examining every bird processed. By early 1976 the regulation will also apply to birds sold on the domestic market.

The trouble at the moment is that no packing stations have been licensed and no inspectors have been trained to examine the poultry. Meanwhile, the industry and the Government are still arguing about who should pay to train and employ the inspectors and bring the packing stations up to standard. If the industry foots the bill it will mean even more costs that will be passed on to the consumer.

The same EEC health directive will mean the end of the £55m. a year trade in fresh-plucked birds in 1976. These birds, known as New York Dressed (which means they are sold with their feet and head and insides intact) will have to have their viscera or internal organs inspected, which will put an end to the uneviscerated trade.

Some packers are beginning to move in this direction already and are installing sophisticated chilling and drying machinery which preserves eviscerated broilers in a "fresh bird" state with a limited shelf life instead of freezing them solid. Housewives are said to have shown enthusiasm for these birds which do not require a long thawing-out period and they are quite prepared to pay up to 3p a pound premium for them.

Many other ways of expanding poultry sales are being tried including pre-stuffed chickens and broilers injected with curry and other flavours including one called "natural chicken" flavour.

Chicken portions

The sale of chicken portions has boomed in recent years and few towns are now without a take-away food shop selling whole or parts of chickens ready cooked and many fish and chips shops have added fried chicken to their menus. With the hundreds of thousands of chickens going into soups, frozen pies and other products plus the fried chicken market as well as its massive broiler sales the industry confidently expects to sell a record 300m. birds this year despite its feed price and labour troubles.

In the turkey sector, a record output of 17½m. to 18m. birds will be marketed by the end of 1973—double the output of 1966 when the trade was mainly centred on the Christmas market.

Now it is an all-yeard-round trade with less than 50 per cent. being sold during the festive season. The expansion started with the concentration of publicity for turkeys at other Bank Holiday periods and general summertime sales. The development of the specially bred "mini-turkeys" helped the process as the small six to eight pound birds were more popular than the nine to 12 pound heavyweights that families prefer at Christmas.

Other developments include the manufacture of turkey roll or meat loaf of boned, pressed turkey meat and even deep-basted birds—turkeys injected with a natural basting oil to save housewives the chore of repeated hand-basting on Christmas morning.

The comparatively low price of turkey meat has led to a new trade in the traditional butchers shop—turkey cuts. Heavy turkeys of 18 lbs upwards, sometimes dubbed "two-legged lambs" in the meat trade, can provide a variety of roasting joints, escallops, steaks and fillets if cut properly, and more than 1,000 butchers have been attending demonstrations up and down the country on this new cutting art.

The demonstrations are being organised by Mr. Bernard Matthews, Europe's biggest turkey producer. Mr. Matthews, who is chairman of the British Turkey Federation, has no illusions about the future facing the 460 producer-members of the BTF.

"I believe the continuing high prices in the red meat market present us with a great opportunity. It is up to our industry to use all the facilities available through further processing and advertising and promotion to make further significant gains in our share of the total meat market," he exhorted them earlier this year.

Even the swingeing increases in feed prices have not shaken his belief that turkey sales will continue to climb. He is convinced the high prices for protein crops will serve as a stimulant to producers, especially American farmers, and there will be a major expansion of acreage and total production leading eventually to lower market prices and cheaper feed for poultry producers.

In the meantime the question vexing the industry must be whether or not the chicken and turkey-eating habit has become so deeply engrained that sales will not suffer if, as expected, there is a "flush" of home-bred cattle this autumn which will bring red meat prices down to more competitive levels.

Volume production of extended Daf range to begin in autumn

BY DAVID WALKER

DAF, THE NETHERLANDS' only car manufacturer is extending its model range with 1,298 cc versions of its Marathon saloon, estate and coupe models.

The new cars, designated the 1300 series, are like all Dafs in having the company's Variomatic automatic transmission system.

The engine unit is made by Renault, and is basically that of the French company's 12TL models with slight modifications.

Daf already uses a Renault engine in its 66 series cars.

In addition to the more powerful engine, the 1300 models also feature a new headlamp system incorporating linked halogen spot lamps, a revised interior layout with re-designed fascia, safety seats with built-in headrests, a laminated windscreen as standard, a new design of collapsible steering column, rear seat belt anchorage points, and a tunnel-mounted console complete with cigarette lighter.

Volume production of the new range is due to start this autumn, with supplies reaching Daf dealers in this country soon after.

The 1300 Marathon saloon will sell here at £1,399, with the coupe version carrying a recommended price of £1,499 and the estate a £1,525 price tag.

Also announced yesterday were styling and equipment changes for three of the Australian-made Chrysler models sold here by selected Chrysler U.K. dealers.

The models are the £2,711 Regal Saloon, its £2,908 Estate variant, and the £2,810 fastback Charger 770.

All three are now to be fitted with electronic ignition. Improved ornamentation, a new grill with round headlamps, new indicator lamps, a revised instrument cluster, new headlining and detail interior improvements are other features of the 1974 range.

French-made Simca cars, produced by Chrysler France, but sold here alongside U.K. manufactured vehicles, are also subject to detailed changes for 1974. Cloth seats become standard on several of the saloons; the 1100 range has a new fascia; and there is revised electrical equipment for the 1301 and 1501 models.

The British-designed but French-made Chrysler 180 and two-litre saloons are to continue unchanged for the next year.

Improvements to Chrysler U.K.'s own cars are expected to be announced next month nearer the date of the Earls Court Motor Show.

Watford go-ahead for £10m. shop scheme

By Peter Riddell

WATFORD COUNCIL has given the go-ahead for a major shopping development in the centre of the town costing an estimated £10m.

It has accepted a fixed price tender from Howard Farrow Construction for building the centre, which covers a 4.7 acre site to the north-east of Watford High Street and Market Place.

The development, which is to be carried out by the council on its own, will provide a large store, a supermarket, about 25 shops, a large covered market, a public house, a restaurant and parking for 800 cars. Ley Colbeck and Partners has designed the scheme.

It is also intended to provide a new 150-bedroom hostel to be run by the YMCA, which will include a variety of social facilities, including a restaurant, gym and meeting room. The details of the design are being prepared by Roff Marsh and Partners.

Part of the development will be financed from normal local authority sources and part by Grasshopper Property Unit Trust (for whom Healey and Baker acted).

Hillier Parker May and Rowden has acted as development consultant to the Council and will be the letting agent.

Guernsey glasshouses plan

A PLAN to encourage an investment of nearly £2m. in Guernsey's horticultural industry next year has been put before the island's Parliament.

From 1,000 acres of glasshouses the island exports £15m. worth of tomatoes and flowers annually to the U.K. but the committee for Horticulture says too much of the industry's glass is obsolete.

It wants the Parliament on September 26 to vote £300,000 for investment grants to be allocated up to the end of 1974. The grants would cover up to a third of the cost of building new glasshouses. If the whole amount is taken up, says the committee, growers would be investing at least another £1.2m. in the industry.

But the committee's idea that similar sums should be granted annually for the next five years has been opposed by the Advisory and Finance Committee which wants to see how much of the first £300,000 is taken up before committing the local exchequer to a long-term plan.

The Committee for Horticulture says the investment is urgently needed to prevent more glass from becoming uneconomic. It says only 250 acres have been modernised since 1960, partly because of the industry's uncertain future and partly because of the inability of producers to generate their own investment capital.

It wants 40 acres of glasshouses to be modernised each year over the next ten years, which would cost at least £15m. and is to produce a long-term, overall policy to take the industry into EEC trading conditions.

However, if present trends continue, says the committee, 100 to 150 acres will go out of production in the next five years at a time when the island's best-equipped growers are producing 50 per cent. more tomatoes and flowers per acre than their U.K. and Dutch competitors.

Modern glasshouses, it says, can increase gross returns to producers by up to £5,000 per acre.

APPOINTMENTS

Two directors for Weir Group

Mr. F. R. Frame and Mr. J. de Raemy have been appointed directors of the WEIR GROUP.

Mr. Frame, a solicitor, joined the group as secretary in 1968. Mr. de Raemy, a Swiss national, joined the company in 1972 to undertake special projects on the Continent.

★

Mr. Guy Burgun, Mr. Paul Hughes and Mr. Roy Thomas have been appointed assistant directors of WILLIAMS GLYN AND CO.

★

Mr. F. J. Moreton will retire as chairman of KAYE SON AND COMPANY and subsidiary companies on September 30, and retire as a director on that date. Mr. R. Desmond Tobin has been appointed chairman of Kaye Son and Company and subsidiary companies from October 1.

★

Mr. Stephen Matthews is joining the Boards of INTASUN and Intasun (North) to become director of finance and administration.

★

Mr. J. A. Blair Scott has been appointed by the INDEPENDENT BROADCASTING AUTHORITY to be its regional officer for the South of England. He will take up the appointment on November 5, when the present regional officer, Commander G. W. Alcock, reaches retirement age.

★

Mr. Peter J. Lawson has been appointed chairman of LEE GREEN PRECISION INDUSTRIES. He will also join the Boards of Rathdown Industries and Henry and Thomas. All three companies are members of the Unitech group.

★

The Minister of Agriculture, Fisheries and Food has appointed Mr. G. S. Bishop as one of his nominees on the Board of the AGRICULTURAL MORTGAGE CORPORATION to succeed Sir Richard Manktelow, who has retired. Mr. Bishop is chairman of Booker McConnell.

★

Mr. W. F. E. Price has been appointed deputy managing director of AVICA EQUIPMENT.

★

Mr. Roger Young has been appointed a director of HENRY ANSBACHER AND CO., merchant banking subsidiary of Fraser Ansbacher.

★

Mr. A. A. Watt, financial controller and director of AURORA GEAR AND ENGINEERING COMPANY has been appointed financial director.

★

Dr. R. L. Clark has been elected to the Board of BRITISH VITA COMPANY.

★

Mr. Eric D. Wright has been appointed Director-General of the Prison Service. Mr. Wright, who is now an Assistant Under-Secretary of State in the Home Office, will be promoted to the rank of Deputy Under Secretary of State, at a salary of £10,750.

He succeeds Mr. W. R. Cox, who is to relinquish the post on medical advice. Mr. Cox, who has been on sick leave since early July, will take up an appointment in his present rank of Deputy Secretary in the Department of the Environment on his return to duty later this year.

★

Mr. David Chitty has been appointed chief manager of BARCLAYS GRIFFIN LIFE ASSURANCE COMPANY.

★

Mr. T. L. Pavey, London manager, RESERVE BANK OF AUSTRALIA, will retire on September 20 and will be succeeded by Mr. S. W. Butler.

★

Mr. A. F. B. Williams has been appointed chief executive of the new London branch of the Geneva-based BANQUE DU RHONE.

★

Sir Peter Menzies, chairman of the Electricity Council, has been elected president of the International Union of Producers and Distributors of Electrical Energy (UNIPEDE), a body representing 22 of the world's foremost countries engaged in the generation, transmission and public distribution of electricity. He is the first Briton to hold this position since 1955.

★

The GUTHRIE CORPORATION has made the following Board appointments in its British Carpets division: Mr. Alastair Mitchell, previously group finance manager with the Chloride Group, to be financial director, and Mr. A. R. Hughes to become corporate development director, of British Carpets.

Mr. Alan McKillop has been appointed a director of Templeton Carpets, Mr. Michael Dutton a director of Woodward Grosvenor and Company, and Mr. John Grant a director of Grays Carpets.

★

Mr. Michael K. Robinson has been appointed regional co-ordinator, Europe and Latin America, on the Head Office staff of BSC (INTERNATIONAL), in place of Mr. Keith Newlands, whose appointment as director, development policy and planning was announced in July.

★

The CHEMICAL INDUSTRIES ASSOCIATION has appointed Mr. William McMillan to the newly created position of director/external relations. Since 1968 Mr. McMillan has been with the Association of the British Pharmaceutical Industry as manager, information services.

★

Captain Alan F. Black has been appointed a non-executive director of the KNIGHTSBRIDGE SPORTING CLUB, the gaming division of Scotia Investments.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Forceful advance with index up 7.82

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 4.

THE PREDICTED post Labour Day rally got under way on Wall Street to-day, when stocks advanced forcefully over a wide range.

The Dow Jones Industrial Average moved ahead 7.82 to 895.39 and the NYSE All Common Index rose 20 cents to $55.84, while gains outpaced falls by 1,363 to 459. Trading volume sharply expanded by 3.68m. shares to 14.21m.

Analysts said investors are viewing the future a lot more positively and buyers have been coaxed from the sidelines by a spreading conviction that interest rates are topping out, and the next major rate move is likely to be downwards.

Brokers said some buying was also encouraged by the recovery of the dollar abroad and continued downward pressure on food commodity prices.

A broad variety of stocks moved higher. Newhall Land and Farming were up $1½ to $9¾. Colonial Penn $3¾ to $64. Aetna $1¼ to $76¾. McDonnell-Douglas $1⅞ to $24, Wachovia $1⅛ to $35⅞ and Hughes Tool 2 to $67½.

Among "Glamours" and Blue Chips, Du Pont $3¾ to $164, Eastman Kodak $1½ to $137½. Tropicana Products $1½ to $33. J. P. Morgan $1⅝ to $68⅞, Dow Chemical $1½ to $56¾ and CMI Investment $2⅜ to $36¾.

Standard Oil of Ohio were lifted $5 to $120—last Friday it announced it will close 200 low-volume service stations in Ohio.

Texa Instruments moved forwards $2⅝ to $110½, Burlington Industries $1½ to $29⅝, Broadway-Hale Stores $1⅞ to $33¾ Maremont $2¾ to $48⅜, Utah International $1⅛ to $46. Technicon $1½ to $16⅜ and Avery Products $2⅛ to $47⅞.

Teleprompter, however, gave up $1 to $9 — it has temporarily suspended about 20 per cent. of its 1973 construction programme.

Caterpillar Tractor advanced $2 to $66½ — its short-term business outlook was "very good."

Minnesota Mining, the most active issue, lost $1½ to $84½ on 321,400 shares.

Pepsico tacked on $1½ at $81½, and Data 100 (quoted Over the Counter) was $12½ to $12⅝. Data 100 has agreed to repurchase from Pepsico for $10.5m. the computer terminal equipment it sold in 1970 and 1971.

Oils closed mixed after being sharply lower. Analysts attributed some early weakness to nationalisation by Libya of 51 per cent. of foreign oil properties there.

The American SE closed higher, while the Exchanges new Market Value Index ended the session at 100.62, up 0.62. The average price per share was up 0.08 cents, advancing issues topped declines 420 to 354.

activity yesterday.

The Industrial Share Index moved up 1.4 to 216.64, golds 3.80 to 253.06, Western Oils 2.42 to 255.99, Utilities 0.77 to 141.88 and Papers 2.87 to 129.66. But Banks shed 0.20 to 269.52 and Base Metals lost /.57 to 10.89.

Anglo-Canadian Pulp and Paper advanced $2½ to $17, Domtar $1½ to $22½, Pacific Petroleum $1 to $32¾ and Great Plains Development $1 to $31.

PARIS—Market eased over a fairly broad front in cautious trading ahead of President Nixon's round of trade negotiations.

Metals were resistant, but Moulinex, Carrefour, Jacques Borel, Poclain and Bouygues all easier.

In the Foreign sector, Gold Mines and U.S. issues were irregular, while Germans and Dutch stocks posted small gains. Petrofina were firm in otherwise generally weaker Belgians and International Oils. Canadians and Coppers also were lower.

BRUSSELS—Belgian issues were generally higher, with Vieille Montagne up Frs.50 at 5,260 and Wagons-Lits up Frs.12 at 898. Cockerill, however, lost Frs.24 to 1,322 but Petrofina moved up Frs.190 to 7,500.

Foreign stocks also rose, with Paribas, Philips, Imperial Oil, Boeing and German issues all gaining ground. RTZ eased, while Golds were maintained.

AMSTERDAM—Dutch Internationals held mainly steady in quiet dealings. Unilever rose Fls.1.5 to 127.9 but Royal Dutch eased.

Shippings were very firm on local and foreign demand. Bourse circles were surprised at the announcement of a possible take over of Ceteco by KNSM. Plantations were generally steady.

Local Industrials were quiet, with Heineken up Fls.2.5 to 281. Oce-Grint up Fls.1.5 to 224 and Gist-Brocades up Fls.1 to 64. IHC Holland gave way Fls.2.5 to 63. Middenstandsbank were weak in otherwise firm banks. Investment Funds were easier but Insurances were firm.

Dutch State Loans were quiet with the "high coupon" Loans weak but "low coupons" were firm.

GERMANY—Firmness continued across a broad front in occasionally very active conditions.

The Banking sector led activity, where shares rose between DM3.50 and DM6. BMW, up DM5.5 at 262, led Motors higher. Chemicals and Electricals rose between DM1 and DM2.40 while, in Steels, Rheinstahl improved DM4 to 105, and Mannesmann put on DM2 to 167. Shares with narrow markets firmed more sharply.

In the Bond Market, Public issues closed between 30 pfennigs firmer and 20 pfennigs down with gains in a clear majority. Mark Foreign Loans eased.

SWITZERLAND — Markets were generally very steady in continued quiet conditions. Some stocks, however, rose markedly on selective buying.

Major Banks drifted lower, Insurances were narrowly mixed and small gains predominated in Industrials. Alusuisse Bearer and Registered each continued firmer. Von Roll were a firm feature in Metals and Engineering. Among Stores, Globus Bearer and Participation Certificate each lost ground.

In the Foreign sector, dollar stocks were little changed. In otherwise steady Dutch Internationals, Royal Dutch eased Germans were markedly firmer in more active trading.

MILAN—Market closed mixed in continued quiet trading.

In leading Industrials, Fiat, Montedison and Snia Viscosa were each well maintained. Pirelli eased Lire10 to 2,530 but Olivetti Preference gained Lire24 to 1,705. Invest improved on the announcement it will become the holding company for the Bonomi-Bolchini Group interest and will acquire a major stake in La Centrale, which rose Lire400 to 17,210.

In Banks, Banca Commerciale Italiana gained ground. Assicurazioni Generali advanced Lire1,100 to 75,600 in Insurances, while Toro Assicurazioni fell following news La Centrale acquired a major stake in it.

Bonds were quietly steady.

OSLO—Banks and Industrials were well maintained, Insurances quiet, Shippings steady and Oils barely steady.

COPENHAGEN—Easier in very active dealings.

VIENNA—Steady in quiet trading.

JOHANNESBURG—Gold shares closed firmer, mainly due to the steady London bullion price and lack of available scrip. Trading was light, however, with selective London buying noted.

Coppers were weaker with ZCI 37 cents lower at 75 cents, and 10 cent losses by Palabora at R10.20 and Messina at R6.70. Platinums were quietly easier. Consolidated Murchison dipped 20 cents to R9.30 in other Metals, which were otherwise neglected.

Mining Financials declined in quiet dealings. Botswana RST lost 45 cents to R3.70 and Charter 20 cents to R3.85.

Industrials were slightly easier in listless trading.

Australia—Widespread losses in both the Mining and Industrial sectors during slow trading.

In Minings, CRA gave way 14 cents to $A5.57, Bougainville 22 cents at $A2.44, Hamersley 10 cents at $A1.88 and NBHC 7 cents at $A3.58.

Peko were down 28 cents to $A5.12

Coppers fell. Broken Hill South were off 10 cents at $A2.20 and Mount Isa Mines 8 cents to $A2.42.

Western Mining shed 3 cents to $A1.84 but Poseidon moved up 10 cents to $A6.50.

Emperor Mines picked up 10 cents at $A2.50 and Utah Mining rose 5 cents to $A3.90.

BHP dropped 25 cents to $A7.78.

Myer's dipped 10 cents to $A2.72.

Real Estate Developers declined. Lend Lease dropped 20 cents to $A3.55 sellers and Jennings fell 8 cents to $A2.90. Hooker, however, firmed 3 cents to $A1.58.

Tooheys Brewery were marked down 25 cents to $A2.10 and Tooth's lost 7 cents to $A3.15.

Brambles put on 5 cents at $A1.10.

Among Oils, Woodside gave way 11 cents to $A1.61.

TOKYO—Market continued to decline as operators held off with many uncertain factors, including Government measures to hold down total demand for goods and services. Volume 90m. (65m.) shares.

Some "large-capital" shares, however, were in limited demand but buying failed to gather momentum.

Textiles, Cements and Chemicals declined following the recent falls on the International Commodity Markets.

Isuzu Motor finished 230, after rallying in[illegible] report that it received over 3,000 trucks wor[illegible] from China.

Sony lost Y50 at 4[illegible]

Steels, Non Ferro[illegible] Trading Houses, Pape[illegible] Insurances all eased.

Among limited ga[illegible] Japan Line, up 28 [illegible] rumours that it plans [illegible] refinery in South Ko[illegible] operation with Teijin [illegible] at 286, and C. Itoh, up [illegible]

OTHER MARKETS

Canada higher

Canadian Stock Markets closed sharply higher in moderate

Sharp fall in £

Sterling fell sharply yesterday, against U.S. dollar, and against most major currencies, with its trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, widening to 17.74 per cent., from the previous 17.22 per cent., while in terms of the dollar it eased to $2.4410-2.4420, from Monday's $2.4562-2.4567. A fair activity was seen, with the market unsettled by a weakening in domestic sterling day-to-day interest rates, and by concern over the outlook for the official wages and incomes policy, against the background of the Trades Union meeting in Blackpool. It seemed, however, that the decline in the pound contained a substantial cumulative element, with early falls attracting new sellers. The pound was at about $2.4580-2.4590 in early dealings, but by mid-morning was down to $2.4465 or so, and although recovering to around $2.4500 for a time, fell away again in the later stages. The one-month discount on sterling widened 0.12c. to 0.77½c., but the 3-month narrowed 0.10½c. to 2.35c., the 6-month 0.07½c. to 4.45c., and the 12-month 0.18c. to 8.37c.

The U.S. dollar was itself weaker against some major currencies, though its losses were modest, and it was stronger in some cases. The German mark, for instance, gained 65 points to DM2.4505, the Dutch guilder 20 points to Fls.2.6755, and the Swiss franc 10 points to Frs.3.0300. Belgian francs weakened 3½c to Frs.37.57 on convertible account, however, and 3½c. to Frs.37.96½ on financial account, while Italian lire were also among units to soften, losing Lira 1 to Lire 567 on commercial account, and Lire 5 to Lire 595½ on financial.

Gold rose $1 an ounce on balance in London to $105-106, in moderate business. The metal opened at $103½-104½, its lowest of the day, and was fixed in the morning at $104.50 (£42.705), and in the afternoon at $105.10 (£42.889). New sovereigns ended at $31-32, and old at $36-37, while double Eagles were at $169-171, single at $86-88, and half at $50-$52, with 20-mark pieces at $43-$45½. In Paris, the one-ki[illegible] gold ingot was fixed Frs[illegible] at Frs.15,005. Gold t[illegible] the Bourse meeting was [illegible] up Frs.7.8m.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport †	Indus *	Util. Φ	Trading volume* 000's
Sept. 4	71.73	161.35	895.39	96.11	14,210
Aug. 31	71.71	159.35	887.57	96.02	10,550
30	71.63	156.86	882.53	95.83	12,100
29	71.61	157.50	883.43	95.22	15,690
28	71.64	156.25	872.07	95.28	11,810
27	71.50	155.64	870.71	94.84	9,740
24	71.49	154.44	863.49	95.16	11,200
23	71.47	153.67	864.46	95.00	11,390
22	71.33	151.97	851.90	94.55	10,770
21	71.44	152.85	857.84	95.03	11,480
20	71.38	154.48	867.40	95.16	8,970
17	71.46	156.37	871.84	95.12	11,110
16	71.38	156.07	872.74	94.66	12,990
15	71.33	167.03	874.17	94.64	12,040
14	71.40	156.41	870.71	94.64	11,740
13	71.46	157.81	883.20	95.12	11,330
1973 High	75.34 (18/1)	228.10 (2/1)	1051.70 (11/1)	120.72 (2/1)	—
Low	71.33 (15/8)	151.97 (22/8)	851.90 (22/8)	94.55 (16/8)	—

‡ All-time high 279.88 (7/2/69).
Φ All-time high 163.22 (20/4/65).
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 31	Aug. 24	Sept. 1, 1972
3.79	3.89	3.22

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1973 High	1973 Low	Tues.	Fri.	Thurs	Wed.	Tues.
65.48 (11/1)	53.55 (6/7)	55.84	55.64	55.59	55.59	54.97

RISES AND FALLS

Issues traded	Up	Down	Unchanged
2,155	1,363	459	333

	Tues.	Fri.	Thurs.	Wed.	Tues.
New Highs	34	15	16	2	12
" Lows	26	42	50	45	46

AMERICAN SE ALL STOCKS AVERAGE

1973 High	1973 Low	Fri.	Thurs	Wed.	Tues.	Mon.
28.84 (5/1)	22.20 (25/6)	22.88	22.82	22.88	22.88	22.62
Volume (000's)		1,880	1,885	1,880	1,527	1,520

STANDARD AND POORS U.S. STOCK INDICES

	*Ind. Ord.	†Composite
Sept. 4	117.47	104.51
Aug. 31	117.21	104.25
" 30	116.55	103.98
" 29	117.07	104.03
" 28	115.89	103.02
" 27	115.16	102.43
" 24	114.23	101.62
" 23	114.61	101.91
" 22	112.97	100.53
" 21	113.36	100.89
" 20	114.21	101.61
1973 High	134.03 (5/1)	120.17 (5/1)
1973 Low	112.97 (22/8)	100.53 (22/8)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug. 29	Aug. 22	Aug. 30 1972
Ind. Ord. yield pc	2.98	2.98	2.57
Ind. Ord. p/e ratio	15.03	15.65	19.12
Long-term Govt. Bds. pc	6.36	6.66	5.44

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Lucky Stores	197,100	12⅞	+⅛
Teleprompter	136,700	10	−⅞
Pitney Bowes	128,200	11⅞	−⅛
Norton Simon	122,100	28	−⅛
A.T.O.	93,000	7⅞	—
Warner Lambert	91,900	46	—
Ramada Inn	89,900	9⅛	+⅛
Inter. Paper	88,500	44⅞	+⅛
Deere	75,500	53⅞	+⅛
Texaco	75,000	30	+⅛

TORONTO

INDUSTRIAL INDEX

Sept. 4	Aug. 31	1973 High	1973 Low
216.64	215.21	225.80 (12/1)	202.43 (22/5)

MONTREAL

INDUSTRIAL INDEX

Sept. 4	Aug 31	1973 High	1973 Low
249.56	247.36	255.72 (12/1)	206.53 (22/5)

COMBINED INDEX

230.66	229.90	240.25 (12/1)	209.83 (22/5)

JOHANNESBURG

	Sept. 4	Aug. 31	High	Low
Industrials	278.7	280.2	292.1 (10/7)	235.8 (3/2)
Gold	201.9	194.6	237.7 (6/1)	123.4 (10/4)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Aug. 30	Aug. 23	Aug. 16
On Dividends	4.95	4.63	4.71
On Earnings	7.98	7.40	7.41

SYDNEY ALL ORD. INDEX

Sept. 4	Sept. 3	High 1973	Low 1973
508.39	515.94	637.28 (19/1)	500.52 (28/8)

HONG KONG INDEX Φ

Sept. 4	Sept. 3	High 1973	Low 1973
568.27	579.06	1,774.96 (9/3)	494.50 (11/1)

SINGAPORE INDEX §

Sept. 4	Sept. 3	High 1973	Low 1973
289.71	298.65	611.36 (15/2)	289.71 (4/9)

‡ Ex all. Xd ex-dividend.

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Sept. 4	Sept. 3	Div. %	Yield %
364.98	367.87	11.90	2.0

	High	Low
1973	422.43 (24/1)	348.11 (28/4)

EUROPE

	Sept. 4	Previous	1973 High	1973 Low
Belg'm (m)	132.45	131.43	142.35 (22/8)	123.11 (2/1)
Denm'rk (*)	134.68	136.17	128.96 (10/8)	120.28 (8/7)
France (bb)	85.1	85.5	86.9 (4/6)	79.3 (3/1)
Germany ‡	95.81	94.62	120.71 (25/3)	89.90 (27/7)
Holland (o)	147.3	146.7	171.9 (13/4)	144.1 (23/8)
Italy †	120.62	120.69	147.28 (19/5)	98.25 (16/2)
Sweden (p)	358.80	361.45	389.84 (10/7)	308.80 (4/9)
Switzer'l'd **	338.6	339.1	460.1 (27/1)	320.1 (3.10)

* Herstatt Index Base Dec. 31, 1959. ‡ Base 100 Jan. 2, 1973. ** Swiss Bank Corporation Index base 100 Dec., 1958. (c) Closed. (m) Base 1953. (o) Base 100 1963. (p) Base Dec. 29, 1956. (bb) Paris Bourse Committee, base 100 1961. (d) Base 100 January 1, 1973. † Base 100 Jan. 4, 1968. Φ Hang Seng Bank, base 100 July 31, 1964. § Straits Times Industrial, base 100 1966.

OVERSEAS SHARE INFORMATION

Investment $ premium based on $2.60 per £1—30½% (29½%). Conversion factor 0.8145 (0.8163)

NEW YORK

CANADA

AMSTERDAM

BRUSSELS

PARIS

STOCKHOLM

TOKYO ¶

Source Nikko Securities, Tokyo.

GERMANY ◆

MILAN

SWITZERLAND

AUSTRALIA

COPENHAGEN

JOHANNESBURG

SPAIN

OSLO ◆

VIENNA

EXCHANGE CROSS-RATES

Sept. 4	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	2.455-456	56.83-95	6.45-48	6.015-020	91.70-80	10.90-81.00
N. York	40.85-90	—	23.20-25	2.6625-75	2.4370-4380	37.45-47	33.05-10
Paris (c)	175.60-65	4.3125-75	—	11.475-490	10.568-579	161.00-20	142.25-45
Brussels	15.2775-3150	37.55-60	8.685-790	—	91.89-.15	14.010 055	12.37½-40½
London	5 98-99	2.441-442	10.52-53	91.60-92.0	—	6.62½-63½	7.39¼ 40½
Amt'dam	108.925 975	2.6767-92	52.095-145	7.1305 85	6.6575-6625	—	88.205 255
Zurich	123.25-45	3.031-034	70.17-32	8.06-08	7.420-429	113.12-35	—

U.S. $ in Montreal 0.9939-41 Canadian $ in New York 1.0060-62 U.S. $ in Milan 566.90 Sterling in Milan 1338.75 (c) Commercial. (x) Unavailable.

EURO-CURRENCY INTEREST RATES ◆

FOREIGN EXCHANGE[illegible]

Sept. 4 1973	Bank Rate %	Market Day's Spread
New York	7½	2.4400-.4590
Montreal	8¾	2.4540-.4780
Amst'dam	5½	6.51-.61
†Brussels	8½	91.51-92.50
Copen'gen	8	14.92-16
Frankf'rt	7	5.97-6.04
Lisbon	Δ5¾	57.01-57.80
Madrid	††	138.57-139.88
ΦMilan	4	1,575-1,458
Oslo	4½	13.68-72
‡Paris	9½	10.51-.65
Stockh'lm	5	10.50-80
Tokyo	7	640-668
Vienna	5½	44.00-.85
Zurich	4½	7.38-7.47

†† Basic discounts. Δ Bank discount rate. † Rates given for convertible franc; closing 92.69-92.30. ‡ Rates given for commercial franc; closing 10.68½-10.70½. Φ Rate given is closing financial rate 1,459-[illegible]

OTHER MARKET RATES

Argentina	12.15-12.35
Australia	1.7245-1.7579
Brazil	14.90-15.10
Finland	9.04-9.06
Greece	72.54-74.59
H'ng K'ng	12.565-12.645
Luxemb'g	91.60-92.09
Malaysia	5.6610-5.6751
N. Zealand	1.8294-1.8488
Singapore	5.7150-5.7662
S. Africa	1.6585-1.6585
U.S.	
Canada	
US$=U.S. Cent.	98.38-98.41

¶ Based on rates quoted by dealers. Other rates may be elsewhere.

FORWARD RATES

STOCK EXCHANGE REPORT

Shares continue to fall as would-be buyers hold off

Index down 3.8 at 406.1, at 22-month "low"—Golds higher

ACCOUNT DEALING DATES

First Dealings	Option Declarations	Last Dealings	Account Day
Aug. 13	Aug. 30	Aug. 31	Sept. 11
Sept. 3	Sept. 13	Sept. 14	Sept. 25
Sept. 17	Sept. 27	Sept. 28	Oct. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equities continued to suffer yesterday from a lack of sufficient investment interest. The unpalatable ingredients of high interest rates and fears of labour unrest in the near future remained deterrents to would-be buyers, and it took only light selling to depress the larger-priced leaders by amounts to 8p. Scant attention was paid either to the latest rise in capital spending by U.K. manufacturing industry or to the steadier conditions in the gilt-edged market which reflected slightly easier rates in the money market. There was, however, evidence of more stock coming onto the market; some of the surplus was being taken at the lower levels but the market remains extremely thin.

The F.T. 30-share index lost 3.8 more to 406.1 for a three-day fall of 11.6 and to its lowest level since November, 1971. The F.T.-Actuaries three main share groups sustained fresh falls to 0.8 per cent., while falls led rises in F.T.-quoted industrials by 4—1. Official markings of 6,401 compared with 6,593 on Monday and 5,690 a week ago.

The mining sector provided a little relief with South African gold shares scoring fresh improvements. The Gold Mines index gained 1.7 at 160.4 while bullion rose another $1 to $105.5 an ounce.

Gilts slightly steadier

Dearer money worries remained the chief inhibiting factor in British Funds, but in the absence of any new untoward development, the tendency steadied. Quotations, in fact, were adjusted about ⅛ higher at the opening, but the gains were quickly relinquished in both mediums and longs. Short-dated issues, on the other hand, sometimes held on to rises of 1/16; the exception was Victory 4 per cent., 1976, which rose ⅛ to 96¼. Turnover was small in all sections.

Increased activity in the investment currency market owed a good deal to revived institutional demand ahead of Wall Street's good opening trend: helped by a late forward move, the premium closed ¼ higher at the day's best rate of 30⅝ per cent. Yesterday's USE conversion factor was 0.8145 (0.8163).

In mixed Recent Equities, Wearwell hardened 2p more to 58p, for a two-day improvement of 5p.

Banks down again

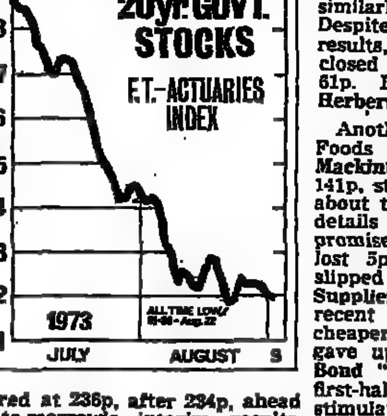
Leading Banks receded on further small selling and lack of support. Midland and National Westminster receded 7p to 335p and 325p respectively. Foreign issues performed similarly and Australia and New Zealand were notable for a 12p loss at 358p. Discounts too, failed to break the tedium and continued easier on fears of higher interest rates. Allen Harvey and Ross lost 25p more to 550p in a particularly thin market while 5p falls were recorded in Cater Ryder, 255p, and Union, 345p. Merchant Banks, on the other hand, attracted a selective demand; Hambros put on 2p to 455p and Kleinwort Benson 5p to 140p.

Numerous 1973 "lows" were recorded in Insurances as prices drifted down on lack of interest. Sun Alliance closed 10p off at 387p ahead of today's interim results.

Distillery shares met with selective support, A. Bell improving 5p to 237p and Long John International 4p to 152p, but Breweries gave ground in places on scattered selling.

Dullness broadened in the Building sector and showed in widespread losses ranging from 2p to 4p. Press comment on the bid from Unilever prompted profit-taking in Ellis and Everard which came back 6p to 207p. In the leaders, APC cheapened a shade more to 191p, while Marley gave up 2½p further to 88p. Contractors to give way included Geo. Wimpey, 3p off at 101p, and Sir Lindsay Parkinson, 4p down at 132p. Of the few bright spots, buyers came for Johnson-Richards Tiles which, in a thin market, improved 14p to 360p. Cement Roadstone hardened 1½p to 117½p following the results. Y. J. Lovell 7¼ per cent. Debentures were called 5 higher at £78 on the proposal to increase the interest rate on the stock to 8½ per cent.

Chemicals were inclined easier again, although ICI ended unaltered at 236p, after 234p, ahead of to-morrow's interim results. Norsk Hydro were noteworthy for a gain of 3 at £74½.



Mothercare became a late firm feature in otherwise dull Stores, a flurry of buying interest leaving the shares 9p higher at 243p. New Day Holdings were also favoured and rose 5p to 94p, but Raybeck lost 2½p to 69p despite the increased dividend and profits. Army and Navy non-assented were quieter and closed 4p cheaper at 648p. Marks and Spencer and UDS both receded another 1p to 269p and 112p respectively.

Philips Lamp continued to reflect the proposed bonus issue and rose afresh to 995p, up 15p, but other leading Electricals gave further ground. EMI were noteworthy for a fall of 5p at 146p, while GEC ended unaltered at 136p. Elsewhere, Decca provided a firm spot at 382p, up 10p, in response to the jump in profits. On the other hand, Louis Newmark reacted 10p to 210p in a limited market and Sadia shed 2p to a "low" for the year of 26p.

Engineering losses were usually modest with the exception of Pegler-Hattersley, down 8p at 164p, and Deritend Stamping, which fell 6p to 194p. Elsewhere, the falls were confined to around 3p as in Metal Box, at 240p, and Simon, 123p, the former still being affected by adverse Press comment. Tube Investments made a fresh 1973 "low" of 368p, down 4p, and Davy International were similarly cheaper at 100½p. Despite the good half-yearly results, Imperial Metal Industries closed unaltered at 59½p, after 61p. In Machine Tools, Alfred Herbert cheapened 1p to 31p.

Another rather dismal day in Foods ended with Rowntree Mackintosh down 4p more at 141p, still mirroring apprehension about the cocoa trading loss, full details of which have been promised shortly. Tate and Lyle lost 5p at 162p, while Unigate slipped 2p to 65p. Meat Trade Suppliers reacted quickly after recent firmness to close 5p cheaper at 58p. Wrensons Stores gave up 6p at 220p and Brooke Bond "B" 3p at 51p. The good first-half achievement failed to stimulate Nurdin and Peacock, a shade easier at 66p, but Bishops Stores were adjusted 4p higher to 126p on a Press report of bid speculation.

Hotels fared just as poorly, Grand Metropolitan closing 4p off at a 1973 "low" of 103p. M. F. North fell 3p to 40p, but Mount Charlotte attracted attention and rose 1½p to 18p.

Glaxo ease afresh

Apart from Beecham, which finished 2p better at 275p, the miscellaneous Industrial leaders continued in easier vein. Glaxo remained on offer and gave up another 6p to 336p, while Boots cheapened 2p to 267p, after 265p. In thin markets, I. C. Gas gave up 9p to 645p and Norbury Insulation 8p to 108p. After the recent bout of speculative demand on take-over hopes, Wilkins and Mitchell came back 3p to 157p on profit-taking. Trading statements failed to help Dexion Comino, 1½p lower at 27½p, and Westminster and Country Properties, a shade off at 72½p, but F. C. Cases ended 1p better at 35p after the half-yearly results. Buyers were about for "Mams," which firmed 4p to 130p, while Stonehill Holdings improved 3p more to 201p awaiting news of the bid approach. In Hong Kong stocks, Jardine Matheson were noteworthy for a fall of 25p at 705p.

British Leyland tested its previous "low" point for the year when small offerings and lack of support left the price ½p down at 25p, after 25p offered. Dunlop shed another 1p to 83p, while losses of 2p were sustained by Armstrong Equipment, 65p, and Zenith Carburetter "A," 62p. Associated Engineering, however, attracted the attentions of one or two buyers and rose 2p to 62½p. Among Garages, Henlys rose 5p to 209p on speculative demand.

Paper/Printing remained dreary, DRG losing 2p to 115p while McCorquodale, 287p, and Eucalyptus Pulp, 132p, shed 4p apiece. J. and J. Makin rose to 90p, still reflecting the excellent results, but ended only fractionally harder on balance at 88p. Also firmer were Alliance Alders, at 24p, after the chairman's confident review of this year's prospects. Newspapers continued to ease in disinterested trading.

Properties took on a generally easier appearance, although most losses were confined to a few pence. Leaders to ease a shade included British Land, 165½p, Land Securities, 205½p, and MEPC, 202½p. Lane Fox came on offer at 262p, down 4p, while St. Martins, 194p, and Great Portland, 278p, both cheapened 3p. News of the deal with Barclays Bank International failed to stimulate City Offices, unaltered at 102p, but the announcement of the acquisition of Reid and Lee left International Property Development a shade harder at 29½p.

Oils remained sensitive to recent events in Libya and a trickle of early nervous selling took Burmah down 4p further to 398p and British Petroleum back 2p to 494p, levels which were consequently held in extremely quiet trading. Shell lost the turn at 277p. Revived speculative interest, although small, was sufficient to take Oil Exploration up 4p further to 104p. Press comment gave a modest fillip to Ultramar, which closed 3p higher at 226p. In the overseas group, Woodside-Burmah suffered a fresh jolt, losing 10p to 112p.

In Trusts, news of the cash offer of 46p per share from Mr. Martin Vickers attracted a fair interest to Whinsparken Investments which closed ½p harder at 47p, after 51p. Lower overseas advices left Jardine Securities 10p lower at 105p. Dalgety eased 2p to 257p in front of to-day's preliminary results. Grendon Trust met profit-taking and, at 234p, gave up 5p of the previous day's Press-inspired rise of 7p. Williams Hudson shaded 3p to 182p for a similar reason but Robert Kitchen Taylor were firm at 170p, up 4p.

A fair amount of stock came on offer in Shippings yesterday and the persistence of small selling in an unwilling market left fresh sizeable falls. P & O Deferred, 7p down on Monday, declined 8p further to a 1973 "low" of 260p while Furness Withy were notable for an 11p drop at 162p. Ocean Transport lost 7p to 143p and British and Commonwealth 5p to 240p.

After boasting a few firm features on Monday, Textiles drifted lower yesterday on lack of support to close lower throughout the list. Press comment on the results brought about a 3p fall to 54p in Blackwood Morton, while Stoddard issues met profit-taking after the previous day's gains with the Ordinary giving up 4p to 99p and the "A" 3p to 94½. British Mohair held steady at 50p in front of to-day's interim report. Elder Smith Goldsbrough Mort, ended 1p better at 170p after the results. Courtaulds closed unaltered at 130p.

With the exception of Siemssen Hunter which attracted a small demand and firmed 4p to 90p, Tobaccos were easier again. "Imps" shaded 1½p more to 85p.

Rubbers eased further on small selling and lack of interest. Guthrie, at 383p, followed the previous day's 20p decline with a loss of 2p while Kuala Lumpur-Kepong ended 1p cheaper at 121p for a two-day fall of 15p. Bradwall lost 4p to 74p and Plantation Holdings 3p to 53p. Teas also continued to ease with Warren giving up 3p more to a 1973 "low" of 63p.

Golds firm

Golds provided a patch of brightness in an otherwise gloomy market in Mining shares. There was no large demand for Golds, but the mere fact that there were buyers about and virtually no sellers was enough to produce a good scattering of gains which lifted the index 1.7 to 160.4.

Buffels rose 30p to 990p, President Steyn 15p to 630p and Winkelhaak 10p to 460p. In Financials, Amgold put on ½ to £17 and Sentrust gained 4p to 178p. In Diamonds, De Beers did no more than sag a few pence to 369p in front of the sharply increased half-year profits which are expected to-day.

Zambian issues remained dull with Roan Consolidated 5p lower at 280p. ZCI fell to a 1973 low of 40p at one time but rallied on a little Paris buying to close 5p off at 44p; the company's 1982 and 1978 loans were little changed at 34p and 28p respectively; these prices are in line with the respective amounts of unredeemed capital, but the comparison does not take into account any investment premium considerations.

Tin shares weakened to new lows for the year in many cases after only modest offerings in a very thin market. Despite the news of a third interim for the past year, Ayer Hitam eased to 136p. Gopeng lost 7p to a 1973 low of 250p while another rise in the wolfram price left Beralt unmoved at 28p.

Dullness in Melbourne and Sydney and disinterest here left Australians with widespread losses ranging to 10p in Peko-Wallsend (355p). The splendid half-year results made no impression on Conzinc Riotinto (395p). Pancontinental, however, hardened 2p to 26p on news that the Gold Fields group has acquired some options on the company's shares.

FINANCIAL TIMES STOCK INDICES

—	Sept. 4	Sept. 3	Aug. 31	Aug. 30	Aug. 29	Aug. 28	A Year ago
Government Sec.	63.95	64.00	64.30	64.31	64.33	64.34	72.00
Fixed Interest	64.22	64.20	64.59	64.62	64.79	65.13	73.92
Industrial Ordinary*	406.1	409.9	414.4	417.7	417.7	413.2	509.5
Gold Mines	160.4	158.7	154.7	155.2	153.4	148.0	97.6
Ord Div Yield %	4.64	4.60	4.55	4.51	4.51	4.56	3.21
Earnings Yld % (full) (a)	10.38	10.28	10.17	10.09	10.09	10.19	†4.89
P/E Ratio (net) (a) (b)	13.15	13.27	13.42	13.52	13.51	13.39	†20.43
Dealings marked	6,401	6,593	6,581	6,697	5,976	5,690	9,563

*10 a.m. 409.2 11 a.m. 408.0 Noon 407.9 1 p.m. 407.5 2 p.m. 406.8 3 p.m. 406.2

Latest index 01-246 8026.

(a) Based on 50% Corporation Tax. (b) Nil=12.91. † On old basis.

HIGHS AND LOWS

—	1973 High	1973 Low	Since Compilation High	Since Compilation Low
Govt Sec.	72.08 (22/1)	63.87 (22/8)	127.4 (9/1/35)	63.87 (22/8/73)
Fixed Int.	73.83 (23/1)	64.20 (3/9)	150.4 (28/11/47)	64.20 (3/9/73)
Ind.Ord.	509.5 (10/1)	406.1 (4/9)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	203.6 (6/7)	95.6 (19/1)	203.6 (6/7/73)	43.5 (26/10/71)

S.E. ACTIVITY

—	Sept. 4	Sept. 3
Daily—		
Gilt Edged	137.6	131.1
Industrials	203.9	217.8
Speculative	139.5	134.8
Totals	145.7	150.1
5-day Avge—		
Gilt Edged	126.3	124.0
Industrials	212.6	207.9
Speculative	127.7	124.1
Totals	146.8	143.6

Basic 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

FT—ACTUARIES INDICES

	Sept. 4	Sept. 3	Aug. 31	Aug. 30	Aug. 29	Aug. 28	A Year ago
Industrial Group	165.47	166.73	167.90	168.56	168.05	167.21	209.14
500 Shares	174.05	175.29	176.63	177.55	177.10	175.83	218.49
Div. Yield pc.	4.34	4.31	4.28	4.25	4.26	4.29	3.29
P/E Ratio (net)	14.33	14.44	14.56	14.64	14.65	14.55	†18.29
All Share	173.12	174.34	175.57	176.37	175.92	174.90	216.82
Consols Yield pc.	11.61	11.51	11.43	11.45	11.45	11.42	9.84

†On old basis.

SCOTTISH AGENT FOR ERBEN

H. Erben of Hadleigh, Suffolk, has appointed its first agent to sell its range of bottle closures in Scotland.

Ridley and Co. (Closures), Glasgow, will act as sole Scottish agent and hold stocks for immediate delivery.

AUTHORISED UNIT TRUSTS (p★★★)

(a) (g) Abacus Arbuthnot Ltd.
28, Pall Mall, Manchester 2 (061) 832 5027

Discretionary Unit Fd. Managers
Finsb'y Hse., 22 Blomf'ld St., EC2M 7AL. 01-638 4485.

(a) (g) Jessel Britannia Group
155, Fenchurch St., EC3M 6BX. 01-623 7595

(a) (g) National Group
3-5, Norwich Street, E.C.4.

Scotbits Securities Limited
Erskine Hse., 69-73 Queen St. Edin EH2 4NX (London Office: Perth Rd., Ilford, Essex)

[illegible]

[INSURANCE, PROPERTY, BONDS PRICES PAGE 41]

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Albany Management Co. Ltd.
Utility Hse, PO Box 463, Hamilton, Bermuda
Albany Fd. Ltd. $11.86 12.08 ...... 1.00

Amer. Express Inv. Mngmt. Co.

Fidelity Mngmt. & Res. (Bda.) Ltd.
P.O. Box 670, Hamilton, Bermuda.
Fidelity Int. Fund $21.00
Fidelity PacificFd $23.94
Fidelity WorldFd. 10.05 8.31

Negit Ltd.
Bank of Bermuda Bldg., Hamilton, Bmda.
NAV Aug. 24 1973 602p

Old Court Fund Mgrs. Ltd.

[illegible]

STOCK EXCHANGE DEALINGS from the Official List for Sept. 4

Tuesday, September 4	6,401	Friday, August 31	6,581	Wednesday, August 29	5,976
Monday, September 3	6,593	Thursday, August 30	6,697	Tuesday, August 28	5,690

The list below gives the prices at which bargains done yesterday by members of The Stock Exchange were recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (639)

U.K. AND COMMONWEALTH RAILWAYS (3)

FOREIGN RAILWAYS (4)

BANKS & DISCOUNT COS. (260)

BREWERIES & DISTILLS. (166)

CANALS AND DOCKS (11)

COMMERCIAL, INDSTRL. (2,375)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

CRPN. & COUNTY—U.K. (60)

PUBLIC BRDS., ETC.—U.K. (14)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (28)

COMMONWEALTH CORPN. STOCKS (1)

FOREIGN STKS. BDS., ETC. (3)

ELEC. LIGHTING & POWER (5)

FINANCIAL TRUSTS, ETC. (198)

GAS (8)

INSURANCE (145)

INVESTMENT TRUSTS (398)

UNIT TRUSTS (6)

IRON, COAL AND STEEL

MINES

London Clearing Banks' balances

as at August 15, 1973

Tables 1 and 2 cover the business of offices of the London Clearing Banks and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. The items are defined as in Tables 8 and 9 of the Bank of England's Quarterly Bulletin.

TABLE 1. AGGREGATE BALANCES

	Total outstanding £m.	£m.	Change on month £m.	£m.	Change on year £m.	£m.
LIABILITIES						
Current and deposit accounts						
U.K. banks						
Sterling	2,437		+ 15		+ 967	
Other currencies	1,615		+ 33		+ 695	
Other U.K. residents						
Sterling	15,638		−148		+2,340	
Other currencies	243		+ 42		+ 117	
Overseas residents						
Sterling	1,037		− 41		+ 260	
Other currencies	3,946		+149		+1,315	
Negotiable certificates of deposit						
Sterling	3,008		+ 70		+ 744	
U.S. dollars	525		+ 3		+ 65	
Total						
Sterling	22,170		−104		+4,821	
Other currencies	6,329	28,499	+227	+ 123	+2,192	+7,013
Other accounts		654		− 10		+ 165
ASSETS						
Coin, notes and balances with Bank of England		541		− 41		+ 37
Balances with other U.K. banks						
Sterling	2,698		−591		+ 960	
Other currencies	1,873	4,571	+ 85	− 506	+ 627	+1,587
Money at call and short notice						
To discount houses	1,106		−187		− 175	
To other borrowers	173	1,279	− 11	− 198	− 30	− 205

ASSETS, continued	Total outstanding £m.	£m.	Change on month £m.	£m.	Change on year £m.	£m.
Sterling bills discounted						
British Government Treasury bills	127		+ 75		+ 4	
Other U.K. bills	605		—		+ 35	
Other	32	764	+ 4	+ 79	+ 4	+ 43
Special deposits with Bank of England		703		+ 194		+ 703
British Government stocks						
Up to five years to maturity	1,234		+ 3		+ 48	
Over five years and undated	263	1,497	− 2	+ 1	+ 15	+ 63
Advances						
U.K. residents						
Sterling	12,187		+568		+3,274	
Other currencies	803		+ 39		+ 305	
Overseas residents						
Sterling	890		+ 16		+ 83	
Other currencies	3,579	17,458	+ 69	+ 692	+1,260	+4,922
Loans to U.K. local authorities						
Sterling	890		+ 96		− 89	
Other currencies	25	915	+ 1	+ 97	+ 25	− 64
Negotiable sterling certificates of deposit		1,051		− 193		+ 159
Other assets						
Sterling	346		− 2		+ 2	
Other currencies	279	625	+ 20	+ 18	+ 38	+ 40
Acceptances		104		+ 9		+ 13

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
LIABILITIES												
Total current, deposit and other accounts	29,153	+113	7,648	+194	5,343	+ 76	5,469	−347	9,578	+209	1,115	− 19
ASSETS												
Cash and balances with the Bank of England and other U.K. banks	5,512	−547	1,456	− 72	1,219	− 88	942	−419	1,737	+ 80	158	− 48
Money at call and short notice	1,279	−198	449	− 29	91	− 78	276	− 59	405	− 31	58	− 3
Sterling bills discounted	764	+ 79	177	+ 10	117	+ 40	195	+ 6	263	+ 21	12	+ 2
Special deposits with Bank of England	703	+194	198	+ 56	108	+ 29	145	+ 41	229	+ 62	23	+ 6
British Government stocks	1,497	+ 1	469	—	310	—	267	—	432	+ 2	19	− 1
Advances	17,458	+692	4,739	+194	3,255	+163	3,239	+144	5,473	+162	752	+ 29
Other assets (including loans to local authorities and negotiable sterling certificates of deposit)	2,591	− 78	390	+ 49	381	+ 32	414	− 38	1,292	−117	114	− 4

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)

	TOTAL Outstanding £m.	TOTAL Change on month £m.	BARCLAYS Outstanding £m.	BARCLAYS Change on month £m.	LLOYDS Outstanding £m.	LLOYDS Change on month £m.	MIDLAND Outstanding £m.	MIDLAND Change on month £m.	NATIONAL WESTMINSTER Outstanding £m.	NATIONAL WESTMINSTER Change on month £m.	WILLIAMS & GLYN'S Outstanding £m.	WILLIAMS & GLYN'S Change on month £m.
Eligible liabilities	16,212	+767	4,928	+307	2,480	+ 95	3,379	+111	4,935	+239	490	+ 15
Reserve assets	2,102	− 93	648	+ 7	292	− 36	449	− 44	652	− 17	61	− 3
Reserve ratio (%)	13.0	− 1.2	13.1	− 0.8	11.8	− 2.0	13.3	− 1.8	13.2	− 1.0	12.5	− 1.0

هكذا من الأصل

هكذا من الأصل

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 11½%
(since July 27, 1973)

Short-term interest rates in the London money market weakened yesterday, helped by a relatively free supply of day-to-day credit. Banks had carried over a surplus from the previous day, and although revenue transfers were greater than Government disbursements, there was the market had a net ... the note circulation ... of Treasury bills to fi... identified factors suggested a slight surplus, with transactions on behalf of certain Bank of England customers playing a modest part. The authorities did not intervene, however.

A rate of 9½ per cent was bid by Discount Houses for secured call loans at the start with, but 9 per cent had been reached commonly by mid-day, and in the later stages balances were taken at 8-9 per cent. In the inter-bank market, overnight loans opened around 11½-11¾ per cent., but trended away to 9½ per cent. by about lunch-time, and touched 8½ per cent or so in places in the later part, though closing in places at 9-9½ per cent.

The fall in fixed period rates in the various markets brought a reduction in the three-month sterling certificate yield to 13¾-13½ per cent., from Monday's 14⅛-13⅞ per cent., while the 12-month certificate rate eased to 13⅝-13½ per cent., from 13⅞-13¾ per cent.

Underlying conditions in the market remained unsettled, however, and the rates in the table below are again largely nominal.

Sept. 4 1973	Sterling Certificates of deposits	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	9¾-11¾	—	—	—	—	—	—	—	—
2 days notice	—	—	11¾-12¾	—	—	11-11½	8-9½	—	—	—
7 days or 7 days notice	—	11⅝-11¾	12-13	—	—	—	—	—	—	—
One month	13-12¾	12¾-13	13-13½	—	12½-12¾	—	10½	—	—	—
Two months	13⅝-13⅛	13-13⅛	—	13-12¾	13⅛-13¼	—	10¾	10⅞-11	12¾-14⅛	13¾-15¼
Three months	13½-13¼	13⅛-13¾	13¼-13¾	13⅝-13⅛	13-13½	—	10⅞-11¼	10⅞-11⅛	12⅝-13	13¾-15¼
Six months	13⅝-13⅝	13⅛-13¾	13¼-13¾	13⅝-13½	13⅝-14	—	11-11½	11-11½	12⅝-13	13¾-15½
Nine months	13⅝-13⅝	13½-13¾	—	13¾-13½	13⅝-13¾	—	—	—	13¼-13	13¾-15⅝
One year	13⅝-13⅝	13⅞-13¾	13¾-14	13¾-13½	13⅝-13⅞	—	—	—	—	—
Two years	—	—	14½-13⅛	13⅞-13⅝	13½-13⅝	—	—	—	—	—

† Local authorities and finance houses seven days' notice, other seven days fixed. * Long-term local authorities mortgage rates nominally 12½-13 per cent. for three years; 12½-13 per cent. for four years; and 12½-12¾ per cent. for five years. Φ Bank bill rates in table are buying rates for prime paper; buying rate for four-month bank bills about 12¾-14½ per cent.; and four-month trade bills 13½-15½ per cent. Approximate selling rate for one-month Treasury bills 10⅝-10¾ per cent., for two-month 10½-10⅝ per cent., and for three-month 10⅝-10⅞ per cent. Approximate selling rate for one-month bank bills 12-12½ per cent., for two-month 12-12½ per cent., and for three-month 12-12½ per cent.; for one-month trade bills 13-15 per cent., two-month 13-15 per cent., and three-month 13-15 per cent.

Finance House Base Rate (published by the Finance Houses Association) 12 per cent. from September 1. Clearing Bank Deposit Rates (for small sums at seven days' notice 9½ per cent., and Base Rates for lending 11 per cent.

Treasury bills: Average tender rate of discount 10.9744 per cent.

Tax Deposit Account: Deposit earned a basic 8.12 per cent. in the April-June quarter if withdrawn within that quarter, and 7.33 per cent. if not; in the July-Sept. quarter basic interest accrued at a rate of 7.33 per cent. for deposits withdrawn within the quarter, and if not so withdrawn, at a rate to be fixed at the end of the quarter (by averaging the Treasury bill rate for the period); Bonus rate 2.5 per cent.

BANK BASE RATES

Allied Irish Banks Ltd.	11 %
Anglo-Eastern Bank	11½%
Anglo-Portuguese Bank	11 %
Banco de Bilbao	11 %
Bank of Cyprus	‡11½%
■ Wm. Brandt's	11 %
Brit. Bk. of Commerce	12 %
Brit. Bank of Mid. East	11 %
■ Brown Shipley	11½%
Cedar Holdings	11 %
■ Charterhouse Japhet	11 %
Choulartons	11 %
C. E. Coates	11½%
Consolidated Credits	11 %
Co-operative Bank	*11 %
Corinthian Securities	11 %
Credit Lyonnais	11 %
G. R. Dawes	11 %
Dawnay Day	11½%
Duboff Brothers	11 %
Dunbar & Co. Ltd.	11½%
Duncan Lawrie	11 %
English Transcont.	11 %
First Maryland	11 %
FNFC	11 %
■ Antony Gibbs	11½%
Gresham Trust	11½%
Greyhound Guaranty	11 %
■ Guinness Mahon	11 %
■ Hambros Bank	11 %
Hawtin & Partners	11 %
■ Hill Samuel	§11½%
C. Hoare & Co.	†11 %
Julian S. Hodge	11½%
Italian International	11½%
Jacobs, Kroll	11½%
Keyser Ullmann	11 %
Kinghurst Securities	11½%
London & County Sec.	11½%
London Mercantile	11 %
■ Samuel Montagu	11 %
Moorgate Mercantile	11 %
■ Morgan Grenfell	11 %
Morris Wigram Ltd.	11½%
Northern Comm. Tst.	12 %
■ Rea Brothers	11½%
■ N. M. Rothschild	11 %
St. Mary Axe Finance	11½%
E. S. Schwab	11 %
Security Tst. Co. Bhm.	11½%
Standard Guarantee	11½%
Sterling Credit	11½%
Sterling Industrial Sec.	11½%
Swiss-Israel Trade Bk.	11 %
Twentieth Century Bk.	11 %
Wallace Bros. Sasson	11½%
Whiteaway Laidlaw	11 %
G. T. Whyte	11 %
Wintrust	12 %

■ Members of the Accepting Houses Committee.
* Seven-day deposits 9½%; one-month 9¾%.
† Seven-day deposits — on sums of £10,000 and under 9½%; up to £25,000 9¾%; over £25,000 10%.
§ Demand Deposits 10¼%.
‡ Linked to M.L.R.

New Central Witwatersrand Areas (R0.50) xd 130● New Witwatersrand Gold Exp. (R0.50) 115● 113 16 Potgietersrust Platinums (R0.21½) 209 7 Pres. Brand (R0.50) 953● 710 65 70 Rand Mines Props. (R1) 163‡ 75 ...

West African (5) ... Diamond (30) ... OIL (237) ... PROPERTY (241)

... Tricentrol (25p) 168● 9 6 7 Ultramar (25p) 223● 19 18● 18● 24 6 3 3. 7pcUnsec.Ln. £82● Walkers (Century Oils) (10p) 60●

PROPERTY (241): Amalgtd. Invest. Prop. (25p) 98½● 80 5 6½ 5½ 4 5½‡ 6. Warrants sub.Shs. 23½ 3. 8½pcUnsec.Ln. xd 67 Apex Props. (10p) 120 Argyle Secs. (25p) 119 18 Bank Commercial Hldgs. (10p) 29½● ½ Bilton (Percy) (25p) 87 9

British Land (25p) xd 166½● 5 ½ 6½ 6. Warrants sb. Ord. 85½ Brixton Estate (25p) 97 Burton (Montague) Prop. Invests. (25p) xd 74● 2½‡ 3½ 4 6 3 2‡ Calgary Edmonton Land (7½p) 30½● 29½ Capital Counties Prop. (25p) xd 120 19½ ... Stock Conversion Inv. Trust (25p) 161 2 Sunley (Bernard) Inv. Trust (25p) xd 395● 3 Town City Properties (10p) xd 127● 80 5‡● 31½● 26½ 7 Town Commercial Properties (20p) 119● 18½ Waite Son (10p) xd 90● Warnford Inv. (20p) xd 295● West London Prop. Corp. 73½● ½● Westminster Property (20p) xd 183 Wingate Inv. (20p) 385 Woodmill Property (5p) xd 29½● 30½ 29½

RUBBER (68): Anglo-Indonesian Plantations (25p) 31 Bertam Consld. Rubber (10p) 38 Bradwall FMS (10p) 77● Castlefield (Klang) Rubber (10p) 78 ...

SHIPPING (71) ... TEA AND COFFEE (8) ... TRAMWAYS AND OMNIBUS (9) ... WATERWORKS (11) ... Lee Valley Water 6pcRd.Pf. 62● Mid Kent Water 6pcRd.Pf. 58½● Midsouthern Water 5pcCons. 38‡ Sevenoaks Tonbdg. Water 5½pcRd.Pf. 59½● S. Staffordshire W.W. 5pcCons.Pf. 40

Wheelock Marden A 82½ 2 1½ 1. Do. B 8 Whim Creek 38 6 Woodside Burmah 124● 12½ 14 15 19 Woolworth (F. W.) Com. $US22½ Woolworth Hldgs. 295. A 290 Zambia Sugar 18

(By permission of the Stock Exchange Council)

ERRATA

Zambia Copper Invs. Ln. 1978 should not have been marked xd (3/9). Ln. 1982 should not have been marked xd (3/9).

CORAL INDEX

Close 402-407

SPECIAL LIST

SEPTEMBER 4 (Nil)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

SEPTEMBER 4

Acme Gas Oil 8 Alfa Laval New B £30½ Amsterdam Rotterdamsche Bank £14.20● Anglo Transvaal 5pcAPf. 46●, 5pcBPf. 105● Aquablast 44● Argo Invests New 55 Aust. Antimony 9½ Aust. Cons. Inds. 169● Aust. Continental Resources 29½ 9 Aust. Oil Gas 9 Bank of N.S.W. (Aust. Reg.) 500 Beaver Exploration 7½● Bell Bros. 60● Bougainville 172 Cabot Exp. 113 Capel Court Inv. 80 Carlton Utd. Brews. 2 shs. 208● Ciba Geigy 7¼pc 1976-81 £101 Cockburn Cement 173 Colonial Sugar 298 Commercial Union (Aust.) 219 Copenhagen Handelsbank £19● Cork Inv. 31● Eastman Kodak £68 Exxon Corp. £43½ Fidelity Pacific Units £11½ Genoa Oil (30c) 1½ Gold Mines of Kalgoorlie 92● Hanimex 8pcConv. Pf. 130● Hartog Oil (15c) ¾ Haw Par. 95 Hudsons Bay Oil Gas £25½ Hutchison Int. 151 2 3 I.C.I. (Aust. N.Z.) 127● Indonesia Consolidated 18½ Int. Mining Corp. 7½ Int. Pacific Corp. 55 Jardine Mathieson 730● 20● 9 695‡ 705 Karangi 41● ½ 5½ Lamadec (10c) ½ Lend Lease 245 Metal Exp. 60 Motor General Underwriters 115● 17● Mount Lyell 102 Myer Emporium 193● 87 Newbold General Refracts 78 New Metal 6 Nicholas Int. 68● 7 Oil Search 6½ 7 Olympus Pets ½ Pacific Copper 31 2 Planet Resources 3● 2½ Poseidon 435● 400‡ 25 20 Rembrandt Group 171 St. James Props 57 Slater, Walker (America) £12½● Slater, Walker (Aust.) 83½● 6½ 5 8 9 4½ Sabina Industries 68 Scamander Mines 20 1 Selcast Exploration 37● Slater, Walker Secs. (Hong Kong) 41 Southern Pacific Props 18● 18 ½ Stellenbosch Wines 235‡ Sungei Tukang 14● Swedish Match Fractions 150 Target Pets (15c) 2½ Tasminex 8 Thos. Nationwide 150 Timor Oil 5 Union Carbide 320● Western Compass 20

NEW "HIGHS" AND "LOWS" FOR 1973

New "lows," which are too numerous to name individually, were attained by 229 securities and are listed below in their sub-sections. New "highs" numbered 10.

NEW "HIGHS" (10)

BANKS (1)
Comerzbank
BUILDINGS (4)
Jarvis (J.) Keller Venesta
Johnson Const. Eqpt. Man-Abell
DRAPERY & STORES (1)
Mothercare
FOODS (1)
Bishops Stores
MOTORS (1)
Ford & Slater
PROPERTY (1)
Prop. Sec. Invs.
SHOES (1)
Wearra

NEW "LOWS" (229)

CORPORATION LOANS (2)
COM'WEALTH & AFRICAN LOANS (1)
PUBLIC BOARD & OTHER LOANS (1)
BANKS (11)
BEERS (1)
BUILDINGS (21)
CHEMICALS (2)
CINEMAS (1)
DRAPERY & STORES (9)
ELECTRICALS (4)
ENGINEERING (17)
FOODS (13)
HOTELS (3)
INDUSTRIALS (38)
INSURANCE (13)
MOTORS (5)
NEWSPAPERS (2)
PAPER & PRINTING (2)
PROPERTY (1)
SHIPPING (7)
SOUTH AFRICANS (1)
TEXTILES (11)
TOBACCOS (1)
TRUSTS (38)
OILS (3)
RUBBERS (1)
TEAS (5)
MINES (15)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	5	—	44
Corps., Dom. and Foreign Bonds	12	8	68
Industrials	145	560	1,095
Financial and Prop.	40	259	404
Oils	4	11	18
Plantations	—	29	36
Mines	29	58	78
Recent Issues	2	10	20
Totals	237	906	1,255

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1973 high	1973 low
Zambia Cop. Invs.	$BD0.24	24	44	− 6	80	40
ICI	£1	12	236	—	294	235
HK & Shang. Bk.	$HK2.50	9	258	− 5	405	228
BP	£1	8	494	− 2	600	494
Burmah	£1	8	398	− 4	506	398
Grendon Tst.	25p	8	234	− 5	239	138
Western Mining	$A0.50	8	122	− 4	230	111
Williams Hudson	20p	8	182	− 3	212	91
Beecham	25p	7	275	+ 2	311	249
"BATS"	25p	7	252	− 1	303	231
Kuala L. Kepong	10p	7	121	− 1	178	85
Marks & Spencer	25p	7	259	− 1	289	246
Natl. Westminster	£1	7	325	− 7	473	333
Unilever	25p	7	326	+ 2	395	323
De Beers Defd.	R0.05	6	369	− 3	412	337

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 21	Sept. 10	Nov. 22	Dec. 4
Sept. 11	Sept. 24	Dec. 6	Dec. 18
Sept. 25	Oct. 8	Dec. 20	Jan. 8

Quiet conditions persisted in the Option market yesterday. "Calls" were arranged in British Land warrants, London Australian and General, ICI, Imperial Metal Industries, Williams Hudson, "Lofs," Triumph Investment Trust, Zambia Copper Investments, Freemans (London), Marks and Spencer, Woolworth, Bridgend Investments and Hawthorn Leslie. "Puts" were completed in Grand Metropolitan Hotels, London and County Securities and Stead and Simpson "A" while double options were transacted in ICI and Highlands and Lowlands.

Industrials: A.P.Cement 15, Assoc.Leisure 4, Barclays Bank 20, Beecham 20, ... Grand Met. 10, G.U.S. "A" 25, Guardian 29, G.K.N. 15, Hawker Sidd. 30, ... Slater Walker 12, Spillers 6, Tesco 6, Thorn "A" 24, Tube Invest. 30, Unilever 23, ... Mines: Anglo Amer. 50, Broken Hill Prop. 38, ... Charter Cons. 16, Charterhall Fin. 3 ...

REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

BELFAST ... IRISH EXCHANGE ... MIDLANDS & WESTERN ... NORTHERN EXCHANGE ... SCOTTISH EXCHANGE ...

SHARE INFORMATION SERVICE: NOTES

... ※ Regional price. ‖ No par value. § Actual, or net; yield gross. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources ...

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section. Tuesday, September 4, 1973.

	Groups & Sub-sections	Index No.	Day's Change %	Est. Earn'ngs yield % (full)	Gross Div. yield %	Est. P/E Ratio (net)	Est. P/E Ratio (nil)	Monday Sept. 3 Index No.	Friday Aug. 31 Index No.	Thurs. Aug. 30 Index No.	Wed. Aug. 29 Index No.	Year ago (approx.) Index No.	1973 High	1973 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (184)	154.55	−0.8	10.96	4.58	12.67	12.66	155.84	157.41	157.96	157.40	195.62	196.03 (17/1)	154.55 (4/9)	206.37 (4/5/72)	82.82 (25/6/62)
2	Building Materials (29)	159.58	−0.9	12.26	4.50	11.22	11.22	161.11	162.86	163.93	163.48	195.30	196.69 (2/1)	159.58 (4/9)	233.84 (2/5/72)	85.01 (25/6/62)
3	Contracting, Construction (22)	272.01	−1.8	11.45	3.10	12.34	12.30	276.90	279.57	278.25	274.90	359.23	348.47 (17/1)	263.95 (6/3)	389.33 (19/5/72)	84.39 (27/6/65)
4	Electricals (16)	258.46	−1.1	10.72	3.92	12.87	12.87	261.43	264.55	265.34	264.77	303.94	307.90 (2/1)	258.46 (4/9)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (15)	171.05	−0.9	11.96	4.54	11.04	11.04	172.58	172.87	174.48	174.89	165.32	202.57 (2/8)	163.41 (5/3)	202.57 (9/8/73)	151.45 (28/9/72)
6	Engineering (General) (64)	130.18	−0.4	10.72	5.39	13.03	13.03	130.72	132.24	132.74	132.49	158.28	158.64 (2/1)	130.18 (4/9)	168.59 (4/5/72)	130.18 (4/9/73)
7	Machine and Other Tools (14)	56.53	−0.4	4.95	7.20	33.11	32.30	56.73	57.07	57.29	57.07	65.82	67.88 (2/8)	56.53 (4/9)	136.70 (4/7/66)	43.86 (6/3/71)
8	Miscellaneous (24)	143.21	−0.2	9.63	4.38	14.53	14.50	143.45	144.07	144.45	143.45	166.60	173.76 (11/1)	143.21 (4/9)	177.41 (27/4/72)	69.01 (6/11/66)
9	CONSUMER GOODS (DURABLE) (60)	164.59	−0.5	11.63	3.81	11.92	11.88	165.44	166.68	165.89	164.76	208.87	210.88 (11/1)	164.54 (24/8)	227.78 (21/4/72)	79.16 (25/6/62)
10	Lt. Electronics, Radio TV (14)	193.88	−0.2	9.34	2.44	14.95	14.88	194.17	195.10	194.70	194.08	236.93	251.93 (11/1)	187.21 (11/5)	257.41 (19/6/72)	71.10 (16/1/67)
11	Household Goods (16)	199.49	−0.6	14.34	4.18	9.65	9.57	200.63	200.02	199.83	198.97	243.78	237.99 (2/1)	198.78 (24/8)	263.22 (4/5/72)	86.65 (26/8/62)
12	Motors and Distributors (30)	94.65	−1.0	13.57	5.41	10.14	10.14	95.56	95.45	96.04	94.87	128.63	122.75 (17/1)	94.54 (28/8)	170.59 (15/1/69)	75.92 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) (170)	164.66	−0.8	10.26	4.41	13.48	13.34	166.00	167.00	167.85	167.54	214.09	212.13 (2/1)	164.66 (4/9)	226.08 (16/8/72)	83.71 (8/11/66)
14	Breweries (16)	191.40	−1.0	10.35	4.64	13.80	13.80	193.34	194.25	194.66	193.94	261.37	265.23 (2/1)	187.61 (27/7)	281.87 (26/11/72)	80.30 (30/8/66)
15	Wines and Spirits (8)	185.74	−0.4	9.88	4.55	14.30	14.30	185.45	187.65	188.14	188.14	213.71	216.12 (17/1)	174.44 (11/7)	257.40 (13/7/72)	118.78 (15/6/73)
16	Entertainment, Catering (16)	208.55	−1.2	10.93	4.89	12.51	12.46	211.14	213.26	216.41	216.77	286.91	323.23 (19/7)	208.55 (4/9)	329.99 (12/12/72)	30.11 (23/7/62)
17	Food Manufacturing (24)	146.98	−0.6	11.29	4.82	12.15	12.15	147.77	149.18	149.37	149.50	193.22	187.87 (2/1)	146.98 (4/9)	211.65 (1/5/72)	95.98 (15/6/70)
18	Food Retailing (18)	152.33	−1.0	8.43	3.16	16.95	16.95	155.80	154.82	155.18	156.09	219.84	217.48 (2/1)	151.08 (27/7)	255.08 (15/2/72)	94.62 (25/6/73)
19	Newspapers, Publishing (16)	218.47	−0.4	11.70	3.96	12.13	12.13	219.38	219.51	220.71	219.67	245.03	260.29 (18/1)	217.94 (30/7)	260.29 (18/1/73)	81.74 (6/5/62)
20	Packaging and Paper (15)	98.68	−0.9	11.40	5.62	12.01	11.98	99.51	100.14	100.73	100.27	126.87	126.47 (2/1)	98.62 (4/9)	135.69 (26/4/72)	87.91 (25/6/62)
21	Stores (28)	151.39	−0.7	8.66	3.60	16.50	16.50	152.43	153.16	154.13	153.57	191.38	186.50 (2/1)	148.34 (9/5)	204.39 (16/8/72)	72.74 (2/11/66)
22	Textiles (20)	162.62	−0.8	13.59	5.67	8.81	8.02	163.82	164.56	166.60	166.99	220.72	213.80 (2/1)	162.62 (4/9)	253.72 (17/9/68)	89.90 (30/7/62)
23	Tobacco (3)	240.38	−1.5	11.74	6.54	11.84	11.79	244.01	246.53	246.53	245.56	298.21	289.86 (2/1)	240.38 (4/9)	359.16 (2/8/72)	94.34 (15/6/62)
24	Toys and Games (6)	62.51	−0.6	10.94	3.33	12.96	12.96	62.91	62.91	62.91	62.12	71.97	80.79 (15/1)	61.76 (24/8)	136.72 (18/1/70)	44.90 (9/9/71)
	OTHER GROUPS															
25	Chemicals (22)	155.24	−0.7	8.52	4.53	16.23	16.19	156.57	157.83	158.84	158.78	193.63	191.47 (17/1)	155.24 (4/9)	201.92 (31/1/69)	95.29 (25/6/62)
26	Office Equipment (10)	175.51	—	5.72	2.38	23.02	23.02	176.55	177.65	176.82	176.34	242.52	227.52 (9/1)	163.93 (21/5)	246.06 (1/9/72)	109.12 (26/5/70)
27	Shipping (10)	427.20	−2.5	8.69	4.11	13.36	12.02	438.00	441.96	443.08	441.69	459.81	515.97 (19/1)	427.20 (4/9)	517.00 (6/12/72)	90.80 (29/6/62)
28	Miscellaneous (41)	189.47	−0.4	9.98	4.06	14.09	14.09	190.52	191.42	191.99	190.58	241.70	242.39 (17/1)	189.47 (4/9)	258.83 (2/5/72)	76.52 (6/11/66)
29	INDUSTRIAL GROUP (497)	165.47	−0.8	10.14	4.29	13.59	13.50	166.78	167.90	168.58	168.08	209.14	207.00 (2/1)	165.47 (4/9)	220.17 (1/5/72)	120.61 (2/3/71)
30	Oil (3)	264.25	−0.4	5.70	4.66	23.25	17.55	265.25	268.44	272.21	272.51	316.11	328.39 (15/1)	264.26 (4/9)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	174.05	−0.7	9.59	4.34	14.33	13.90	175.29	176.63	177.55	177.10	218.49	217.40 (10/1)	174.05 (4/9)	227.95 (16/8/72)	84.86 (26/6/62)
32	FINANCIAL GROUP (101)	175.66	−0.7	—	3.49	—	—	176.95	177.91	178.41	177.96	215.22	250.42 (8/1)	175.66 (4/9)	241.41 (21/4/72)	69.83 (30/8/66)
33	Banks (6)	192.66	−0.7	13.93	3.26	10.15	10.15	195.95	196.21	196.53	196.13	238.16	269.62 (9/1)	192.66 (4/9)	288.32 (20/7/71)	69.25 (16/6/64)
34	Discount Houses (8)	171.31	−0.9	—	6.85	—	—	172.88	177.36	178.82	179.56	235.98	268.57 (23/6)	171.31 (4/9)	293.13 (2/5/72)	87.65 (18/6/69)
35	Hire Purchase (5)	293.10	+0.3	11.14	4.30	12.83	12.83	292.36	296.45	296.15	295.02	398.05	374.92 (9/1)	290.58 (23/8)	433.72 (4/5/72)	80.02 (3/8/65)
36	Insurance (Life) (9)	131.61	−1.3	—	4.09	—	—	133.40	133.40	134.16	133.35	182.11	186.26 (8/1)	131.61 (4/9)	194.46 (15/3/72)	61.35 (30/8/66)
37	Insurance (Composite) (8)	103.35	−0.9	—	4.94	—	—	104.34	105.23	105.54	105.72	140.86	141.37 (9/1)	103.35 (4/9)	155.76 (21/4/72)	54.40 (16/3/66)
38	Insurance (Brokers) (6)	192.88	−0.5	8.15	3.81	17.40	17.40	193.84	194.06	194.35	192.16	229.08	249.08 (2/1)	190.98 (28/8)	262.37 (12/12/72)	82.59 (24/7/69)
39	Merchant Banks (18)	187.08	—	—	2.98	—	—	187.07	187.09	188.48	186.54	220.47	253.12 (9/1)	186.54 (29/8)	278.57 (1/6/72)	50.47 (15/7/65)
40	Property (29)	265.97	−0.8	3.53	2.16	37.91	37.20	266.58	266.15	266.56	265.14	287.25	310.44 (2/1)	222.63 (3/3)	324.22 (26/4/72)	56.01 (20/4/65)
41	Miscellaneous (10)	179.72	−1.5	10.37	5.11	13.68	13.56	182.52	185.41	184.69	184.81	251.52	281.14 (17/1)	179.72 (4/9)	303.13 (18/5/72)	120.06 (31/12/70)
42	Investment Trust Group (50)	172.30	−0.5	3.33	3.34	30.07	30.07	173.11	174.15	174.71	174.15	227.47	226.13 (18/1)	172.30 (4/9)	245.79 (25/4/72)	80.84 (26/6/62)
43	ALL-SHARE INDEX (651)	173.12	−0.7	—	4.10	—	—	174.34	175.57	176.27	175.92	216.82	219.02 (10/1)	173.12 (4/9)	228.18 (1/5/72)	85.72 (25/6/62)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (10)	424.06	−1.9	5.03	4.69	26.85	21.25	432.14	447.38	454.51	456.53	335.10	555.87 (25/7)	416.62 (22/1)	555.37 (25/7/73)	84.58 (25/8/65)
45	Teas (10)	107.22	−0.1	3.13	7.02	58.81	38.21	107.35	108.08	108.46	109.41	109.08	120.92 (15/1)	107.22 (4/9)	121.47 (1/6/72)	59.98 (14/11/66)
46	Coppers (4)	374.68	−11.1	26.44	10.74	3.78	3.78	421.37	469.07	499.76	505.83	452.00	567.78 (13/7)	374.68 (4/9)	567.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	105.14	−1.3	6.46	2.92	19.68	19.51	106.50	108.10	105.77	107.65	127.08	127.69 (26/7)	105.14 (4/9)	175.90 (28/4/69)	70.93 (2/11/71)
48	Tins (8)	86.62	−3.4	8.21	7.40	16.37	12.87	89.68	91.22	92.11	92.53	107.53	125.34 (12/1)	86.62 (4/9)	125.34 (12/1/73)	54.83 (27/5/71)

	FIXED INTEREST	Tues., Sept. 4 Index No.	Tues., Sept. 4 Yield %	Monday Sept. 3	Friday August 31	Thurs. August 30	Wed. August 29	Tuesday August 28	Friday August 24	Thurs. August 23	Year ago (approx.)	1973 High	1973 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	11.51	11.51	11.43	11.43	11.43	11.42	11.41	11.54	9.54	—	—	—	—
2	20-yr. Govt. Stocks (6)	61.98	‡10.62	62.00	62.29	62.51	62.33	62.35	62.43	61.98	74.80	74.22 (23/1)	61.86 (22/8)	115.42 (11/9/63)	61.86 (22/8/73)
3	20-yr. Red. Deb. & Loans (15)	61.87	‡12.00	61.87	62.53	62.55	62.55	62.66	62.72	62.72	72.31	72.08 (22/2)	61.87 (4/9)	113.43 (25/10/63)	61.87 (4/9/73)
4	Investment Trusts Prefs. (15)	53.74	12.32	53.74	54.36	54.83	54.85	55.30	55.30	55.34	79.78	69.76 (15/1)	53.74 (3/9)	114.41 (13/9/63)	53.74 (3/9/73)
5	Coml. and Indl. Prefs. (20)	67.83	11.49	67.83	68.44	68.57	68.63	68.81	68.91	68.99	82.47	77.35 (3/1)	67.83 (3/9)	114.41 (7/10/63)	67.83 (3/9/73)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Engineering (Heavy)	31/12/71	153.84	Toys and Games	16/1/70	135.72
Engineering (General)	31/12/71	153.84	Office Equipment	16/1/70	162.76
Food Manufacturing	29/12/67	114.13	Industrial Group	31/12/70	128.06
Food Retailing	29/12/67	114.13	Miscellaneous Financial	31/12/70	128.06
Insurance Brokers	29/12/67	96.67	All Other	10/4/62	100.00
Mining Finance	29/12/67	100.00			
Wines and Spirits	16/1/70	104.76			

‡ Redemption yield. F.T.-Actuaries indices are calculated by Exco-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the F.T.-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p. Commonwealth 18p. Foreign 22p.

INSURANCE, PROPERTY, BONDS

Abbey Life Assurance Co. Ltd. ... Atlantic Assurance Co. Ltd. ... Barclays Unicorn ... Wm. Brandt's Sons and Co. ... Canada Life Assurance Company ... Cannon Assurance Ltd. ... Capital Life Assurance ... The City of Westminster Assur. Soc. ... Commercial Union Group ... Cornhill Insurance Co. Ltd. ... Crescent Life Ass. Co. Ltd. ... Crusader Insurance Co. Ltd. ... Dominion-Lincoln Equity Assur. ... Eagle Star Insur./Midland Assur. ... Ebor Phoenix Assurance ... Fidelity Life Assurance Ltd. ... Growth & Sec. Life Ass. Soc. Ltd. ... Guardian R.E. ... Hambro Life Assurance Limited ... Hearts of Oak Benefit Society ... Hill Samuel Life Ass. Ltd. ... Hodge Life Assurance Co. Ltd. ... Imperial Life Ass. Co. of Canada ... The Individual Life Ins. Co. Ltd. ... Investment Annuity Life Assur. ... Irish Life Assurance Co. Ltd. ... King & Shaxson Ltd. ... Langham Life Assurance Co. Ltd. ... Life & Equity Assurance ... Life Assur. Co. of Pennsylvania ... Lloyd's Life Assurance ... London Indemnity & General ... M. and G. Group ... Magna Assurance Company Ltd. ... Manx Life Insur. Co. (U.K.) Ltd. ... Marine & Gen. Mutual Life Ass. Soc. ... Nation Life Insurance Co. Ltd. ... NEL Pensions Limited ... Norwich Union Insurance Group ... Oakfield Assurance Ltd. ... Old Broad Street Secs. Assur. Ltd. ... Phoenix Assurance Co. Ltd. ... Prop. Equity & Life Assce. Co. ... Property Growth Assur. Co. Ltd. ... Prudential Pensions Limited ... Reliance Mutual ... Royal Insurance Group ... Save and Prosper Group ... Saveguard Assurance Limited ... Schroder Assurance Ltd. ... Scot. Widows' Fnd. & Life Ass. Soc. ... Sun Life of Canada (U.K.) Ltd. ... Target Life Assurance Co. Ltd. ... Trident Investors Life Assurance ... Tyndall Assurance ... Tyndall Pension Ltd. ... Vavasseur Life Assurance Ltd. ... Welfare Insurance Company Ltd. ... Windsor Life Assce. Co. Ltd. ...

§ Yield shown for all buying discounts. Prices do not include £ premium, except where indicated ‡ ...

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1973 High	Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
99⅝	97½	Treasury 5¼pc 1973	98½	......	5.33	10.95
98⅜	95¾	Conv. 5½pc 1974	96¼	......	5.45	10.34
98¼	95⅜	Treasury 5½pc 1974	95⅞xd	......	5.74	9.88
99⅞	95⅝	Treasury 6¾pc 1974	95⅞	......	7.04	10.26
97¾	93⅞	Treasury 6pc 1975	94⅜	+⅛	6.36	10.40
99⅝	94⅞	Treasury 8pc 1975*	95⅝	......	8.37	10.92
92⅞	89⅜	Savings 3pc '55-75	89¾	......	3.34	8.85
95	90⅝	Exch. 6½pc 1976	90⅞	+⅛	7.16	10.82
95¼	89⅞	Treasury 6½pc 1976	89⅞	+⅛	7.23	10.61
98½	96	Victory 4pc 1976	96¼	+¼	4.13	6.29
91⅞	86⅝	Treasury 6¼pc 1977	86⅞xd	+⅛	7.20	10.86
87	82¼	Electric 3pc '74-77	83¼xd	......	3.60	8.62
85¼	81	Transport 4pc '72-77	81¼	......	4.92	9.40
101⅛	92	Treasury 9pc 1979	92⅝xd	......	9.72	11.15
		Five to Fifteen Years				
86⅞	77⅞	Exchequer 5pc '76-78	78¼xd	......	6.37	10.63
75½	69⅞	Treasury 3pc 1979*	70⅛xd	......	4.27	9.62
82⅝	72½	Electric 4¼pc '74-79	72⅞xd	......	5.82	10.37
77⅝	71¼	Do. 3½pc '76-79	71½	......	4.97	10.01
100⅞	89⅞	Treasury 9pc 1980*	90¼	......	9.98	11.17
75⅝	68¾	Treasury 3½pc '77-80	69	......	5.15	10.08
83¾	74⅞	Funding 5¼pc '78-80	75⅛	......	7.10	10.75
75¼	66⅜	Treasury 3½pc '79-81	66⅝	......	5.27	9.99
97½	86½	Do. 8¼pc '80-82	86¾	......	9.93	11.19
80½	70⅞	Funding 5½pc '82-84	71⅛	......	7.82	10.19
95½	83½	Treasury 8½pc '84-86	83¾	......	10.31	11.09
81⅝	71	Funding 6½pc '85-87	71¼	......	9.42	10.91
87¾	75⅜	Treasury 7¾pc '85-88	75⅞	......	10.33	11.29
54½	47⅝	Transport 3pc '78-88	47⅝	......	6.37	9.86
		Over Fifteen Years				
66⅛	55⅞	Treasury 5pc '86-89	55⅞	......	8.78	10.64
90⅞	78¼	Treasury 8¼pc '87-90	78½	......	10.76	11.39
72⅞	60⅛	Funding 5¾pc '87-91	60⅛xd	......	9.49	10.80
72¾	59⅝	Funding 6pc 1993	59⅞xd	......	9.99	10.97
95½	83	Treasury 9pc '94	83¼	......	11.18	11.45
47⅝	39⅞	Gas 3pc '90-95	39¾	......	7.75	9.99
96¾	80	Treasury 9pc '92-96	80¼xd	......	11.18	11.43
52	43½	Redp. 3pc '86-96	43½xd	......	6.86	8.69
94⅝	77⅞	Treasury 8¾pc 1997	77⅞xd	......	11.25	11.49
75¾	64⅝	Treasury 6¾pc '95-98	64⅞	......	10.79	11.27
96½	84¼	Treasury 9½pc 1999	85	......	11.35	11.48
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

PUBLIC BOARD AND OTHER LOANS

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 22¼% (based on $2.4505 per £)

CANADIANS

S.E. List Premium 22¼% (based on $2.4641 per £)

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £250 per annum for each security.

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Hire Purchase etc.

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BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING AND METAL

ENGINEERING AND METAL—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS—(Miscell.)

هكذا من الأصل

INDUSTRIALS—Continued

1973 High	Low	Stock	Price	+ or −	Div.	Cvr	Y'ld pe	P/E
48½	34	James (John)	34½	......	d68.4	♦	8.7	♦
42	27	James (M.) 10p	34xd	+1	§25.9	♦	10.9	♦
518	395	J'rdine M. HK$6	705	−25	h11.9	2.5	0.8	55.7
17½	14¾	Jentique 5p	15½	−¼	§9.1	♦	4.2	♦
118	82	Johnson Cln'rs	82	......	†11	2.5	3.4	17.1
442	365	Johnson Mth. £1	420	......	§9.2	3.9	3.1	12.6
66½	53	Judge Int.	57	......	§h7.4	2.6	4.6	12.7
200	165	Kalamazoo	173	......	32	2.1	4.6	14.5
84	73	Kelsey Ind. 12½p	80	......	†25	3.1	3.9	11.9
53	27	Kennedy Sm. 10p	32	−½	†20	3.1	7.8	5.8
69	45	Kent (Geo.) 50p	59	......	42.1	—	2.5	—
190	125	Kleeman	143	......	19.7	3.1	3.4	13.3
35	19	Kode Int.	33	......	262.8	—	3.0	45.8
121	82	L.C.P. Hlds	83	......	§10.7	2.5	4.6	12.2
90½	64	L.R.C. Int. 10p	66½	−½	§29.4	♦	6.3	♦
85	56	Lamson Inds	71½	......	†§9.5	1.4	4.8	19.7
52	41	Lawtex	42	......	†14	2.1	8.5	7.1
66	50	Le Bas (Ed.)	53xd	−1	§4.9	6.9	3.3	6.3
78½	58	Leboff Fobel 10p	58	......	hd§9	3.4	2.2	19.0
214	57	Lebus Harris	150	......	†12	—	2.0	7.6
65	35	Leigh (L.) 5p	38	......	§14.7	3.9	2.8	8.5
84½	54	Leisure Car. 10p	65	......	§24	1.8	5.3	14.7
230	170	Lep Group 10p	190	......	32	3.6	1.7	18.3
55	34	Lesney Prods. 5p	36	−1	§d14	3.9	2.8	13.1
57	34½	Lidco 10p	36xd	......	†15¼	3.6	4.4	9.0
91	72	Light & Lein. 10p	76	−1	d25	2.5	3.3	[illegible]
86	60	Lindsay Wm.	66	......	†E10	[illegible]	[illegible]	11.0
100	77½	Lindustries	78	......	†19	2.7	2.6	32.7
100	58	Lipton (L.)	95	......	10	2.7	5.1	10.3
97	73	Lloyds Ind. 10p	74	......	[illegible]	2.3	8.7	7.2
83	51½	Lon. & Nthn. Sec.	51½	−1½	5	0.5	2.5	—
37	20	Long Hmbly. 10p	20	......	§10.5	1.9	7.7	10.0
57	42	Longton Trans.	49	−1	†h14.2	2.4	3.1	18.9
125	103	Lonsdale Univsl.	113	......	§14.7	2.1	6.4	8.8
185	155	Low & Bonar 50p	165	......	67	1.5	5.3	27.8
54	46	Lyon & Lyon	130	......	†26.2	4.5	2.3	13.8
168	115	MK Refrig.	44	......	†h17⅓	2.2	3.9	16.7
56	44	M.Y. Dart. 10p	21	−1	§14	1.7	9.5	8.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS—Continued

1973 High	Low	Stock	Price	+ or −	Div.
18½	13	Wood & Sons 5p	18½	......	§9.1
34	26	Wood (W.) 10p	25½	−½	[illegible]
170	103	Wood Hall	111	......	§14.7
11	7¾	Yatton Furn. 5p	10½	......	§6.3
60	46	Zetters 5p	46	−2	30

††INSURANCE

1973 High	Low	Stock	Price	+ or −	Div.
180	123	Brentnall Bd. 10p	123	......	†37
252	174	Britannic 5p	174	......	†§12.1
975	490	Comb. Ins. Am.$1	660	......	†151c
230	158	Comm. Union	158	−2	34.6
210	140	Eagle Star	140	−3	h§16.5
402	360	Economic £1	380	−5	§9.8
342	238	Equity & Law 5p	238	−4	§91.9
68	46	Fenchurch 10p	49	−1	h30
65	45	Do. "A" 10p	43	−1	h30
206	147	Gen. Accident	147	−3	†§19.1
90	40	Grange 10p	40	−5	§14
268	205	Guardian Royal	205	......	§27.3
148	118	Hartford Sh'd 10p	118	−1	h60
383	220	Heath (C.E.) 20p	230	+4	336¾
126½	[illegible]	Howden (A.) 10p	86	......	h26¾
[illegible]	146	Legal & Gen. 5p	146	−5	§77.2
[illegible]	99	Lon. & Gdwn. 10p	99xd	−1	h§30.6
184	146	Lon. & Man. 5p	149	−2	675
248	193	Matthew Wr. 20p	193	−2	§28.9
£128	£97	Do. 7¼% Conv.	£97	......	7¼
318	222	Minet Hldgs. 20p	222	−4	h§15.2
290	250	Orion 50p	259	−1	§11.5
404	266	Pearl 5p	266	−4	†23.6
270	213	Phoenix	213	−1	§27.9
175	128	Provident "A"	128	......	§22
165	128	Do. "B"	128	......	§22
199	141	Prudential 5p	143	−1	§67.4
225	146	Refuge "B" 5p	146	−2	§112
406	306	Royal	306	−2	†63
314	240	Sedg. Forbes 10p	248	−1	u100
412	274	Stenhouse	274xd	−2	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MACHINE TOOLS

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TEXTILES—Continued

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

RUBBERS AND SISAL

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES—CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIANS

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

[illegible]

THE LEX COLUMN

Index fell 3.8 to 406.1

Decca as the victim of success

Decca's pre-tax profit sequence for the past three years reads £3m., £7.06m., and now £15.08m., which is £2m. more than was projected here after the £3m. advance at the interim. In 1971-1972 *the great* bulk of the rise came from recovery on the capital goods side: this time the progress has been almost exactly equal on both consumer and capital sides leaving the latter with a maintained 35 per cent. share of group profits. In fact, the encouraging point about a *remarkable overall* sales growth of 42 per cent. in the year to March, 1973, is that the capital goods side managed 30 per cent. The rest is of course the story of the consumer durables boom, and particularly that in colour TV, whose profit contribution in the period must almost have matched that of records and tapes.

Naturally the fear of a consumer downturn and parti*cularly the saturation cycle* in colour TV is behind the appearance of a net p/e of just 8½ on net earnings of about 40p and a share price up just 9p to 332p. *Yet U.K. consumer sales only* account for one-third of the total, and the group seems confident of maintaining profits here at least this year. The conclusion is that Decca is a prime victim of an effect which has been notable in the market of late, namely, that an earnings gains of a quarter and one of 100 per cent. receive scant differentiation.

See also Page 25

IMI

"Well over £10m." was the *first half target set for IMI in a* recent review by brokers J. and A. Scrimgeour — and the outcome is £10.8m. against £7.3m. That represents a volume gain getting on for a fifth, on a rising trend, and covering the entire group apart from refining where there have been some production problems. But volume growth was already in double figures towards the end of last year, and capacity limitations are an obvious reason for the slowdown projected by the brokers in the current half, leaving a mooted £22.8m. against £16.8m. for the year. With plant and labour difficulties costing an *estimated £1¾m. in second half* 1972, a figure like this ought to be in the bag.

Thereafter, the brokers' *longer term reservations centre* round the threat of substitution in copper tubing, and of competition in zip fasteners where last year's trading profits are put at £4.1m. IMI, naturally, begs to differ — and cites evidence of rising demand for copper tubing in Europe, plus the fact that the zip fastening subsidiaries all have substantial outside shareholders. Yet there is no obvious new reason for enthusiasm about a prospective net p/e of maybe 8¼, with Delta probably on a marginally lower multiple.

See also Page 25

Trident TV

A 23 per cent. rise in gross revenue extended evenly over both halves of Trident TV's year: during its final quarter, and the first two months of 1973-74, revenue for the industry rose at a steady 20 per cent. With forward bookings extending to Christmas and beyond, a sales gain of perhaps 15 per cent. in the year to next May looks perfectly feasible even in a frozen *rates situation*, and there is no reason to expect a sharp acceleration in the rising trend of operating expenses.

Yet *all this is irrelevant* for the moment in a sector where profits are controlled and companies like Trident can return something over two-thirds on capital employed. The levy may have become a profits, as opposed to a revenue, tax by the end of Trident's year—something which the contractors favour, in principle. The Government will have to do something very horrid to make an earnings yield of 22 per cent. and a gross cash flow multiple of about 4½ at 41½p look expensive.

See also Page 30

Cornwall Property

The revaluation from Cornwall Property has the apparently remarkable effect of raising fully diluted net worth from 41p a share to around 130p, on the back of a surplus of £30.8m. on a £30m. book total for all properties. What that really shows is the extent of the undervaluation of Alliance's properties at the time of its absorption. The figure of 130p is not easy for shareholders to arrive at, and includes an allowance for minority interests in *Maidenhead Investments.* Moreover the revaluation takes in residential building land of perhaps £10m. which would attract taxation in principle. Still, one is left with a property company standing, at 100p, on a reasonable discount on net worth, but with the special appeal of an *earnings yield of* about 9 per cent., and projected growth this year.

See also Page 24

Provident Clothing

Provident Clothing's share price has stood up remarkably well to this year's weakness of the financial sector, but an historic p/e of over 20 now has to face up to the impact of unprecedentedly high interest *rates on* a group whose financial structure has shifted markedly towards short-term borrowing. Interim profits of £3.05m. before tax, up some 35 per cent., are good so far as they go, but have been boosted by the use of £10m. from the rights issue a year ago. As for higher money costs, short-term funds have expanded from £14m. to well over £50m. in the past 18 months, and although there is some temporary protection from six-month rollover terms, virtually complete exposure will result by the end of the year; rates could yet, of course, ease somewhat by that time.

In fact, there is no much real threat to Provident's growth status in the current year. Personal loans by the People's Bank are going ahead—though much more slowly than during the initial surge last autumn — and the current half will see a full six months' profits flow on this side. Elsewhere, the more modest growth momentum of checks and vouchers remains intact. The full year could top £9m. pre-tax, against £6.95m., dropping the p/e to around 16. What Provident now has to decide is whether to raise charges on vouchers and personal loans in order to protect margins in 1974; the fact that its longer lending gives it more of the cyclical characteristics of a normal finance house may not be fully reflected in its market rating.

See also Page 24

Lombard

The NHS and the market economy

BY JOE ROGALY

ONE of the things that the Conservative Government that came to office in midsummer 1970 affirmed was the general principle that health care in this country is to be financed by taxation and provided as a *national service.* Sir Keith Joseph may have dismayed many health workers by his management theory scheme for re-organisation, but even when the Selsdon spirit was at its height he was resisting proposals for a general expansion of the private sector of medicine.

Thus for all its faults the National Health Service has shown itself strong enough to withstand any attack by those who believe that every problem can be solved by leaving things to the market. The unfettered market economy is simply not compatible with the proper provision of health care for all the people, as the American experience shows. This is now generally accepted in Britain by all save those on the extreme fringe of supply-and-demand theology.

Progress

Fresh evidence that this is so is published to-day, in the form of a report *prepared by Lee* Donaldson Associates for the Department of Health and Social Security. The associated statistical tables show the progress *of the various medical* insurance schemes over a number of years; these provide the financial basis for most private medical care in Britain although they do not, of course, account for the undoubtedly private self-medication end of the market, in which people make their own decisions, partly based on price, about what to take to cure headaches and stomach upsets.

The first point to note is that if people want private care for major medical treatments, they can have it. "The existence of a large number of schemes provides a wide range of different possible arrangements for private health care cover to an extent which paradoxically is perhaps not matched *in other* countries where comprehensive NHS care does not exist," the report says.

Choice

Yet in spite of this wide range of choice the total spending on private care by provident scheme subscribers in 1972 amounted to £37m. It is possible to postulate a slightly higher figure if the spending by private patients who are not insured is guessed at, but *it is highly unlikely* that this would make much significant difference. National Health spending in 1971-72 amounted to £2,464m., which puts the private *sector* at just over 1 per cent. of the total.

The number of subscribers to provident schemes is still growing, but slowly: it rose by 4 per cent. to 1,018,000 last year. Many people do not stay in. Over the past decade there were 839,000 new enrolments to the three main schemes, but 367,000 lapses. In short, the private sector does not keep all its recruits.

The reason for this is plain. Nearly all the growth in the private sector of medicine in Britain is the result of companies taking out subscriptions on behalf of their employees. Last year the number of individual subscribers to the provident schemes declined by a net 6,000. *Group subscribers* now account for 68 per cent. of total membership, compared with 58 per cent. in 1964.

Diminishing

The benefit to a company taking out a subscription to, say, British United Provident Asso*ciation or the* Private Patient's Plan is that when an important member of the staff falls ill he can be treated at a time convenient to himself and the firm, rather than at a time dictated by the length of the relevant NHS queue. To this extent those who say that the private sector facilitates "queue-jumping" are correct; what they have yet to prove is that the uninsured are harmed by the practice.

What the protagonists of the benefits *of the price* mechanism in providing health care have to answer is the plain fact that in Britain, where the choice exists, the number of individuals who *take* advantage of it, as individuals, is small and diminishing. Even those who do use their insurance subscriptions usually do so only for *special treatments;* for day-to-day care they stick with the NHS. None of this means that the NHS is perfect, but that is another story.

TUC may organise winter campaign for pensioners

BY JOHN ELLIOTT, LABOUR EDITOR — BLACKPOOL, Sept. 4.

PROTEST INDUSTRIAL action could well be organised by the TUC this winter in support of a *better deal for old age pensioners* following decisions reached here to-day by the annual Trades Union Congress.

TUC delegates unanimously *approved a resolution calling for* industrial protest action to back up demands for pensions to be raised immediately to £10 a week for a single person, and £16 for a married couple, with subsequent increases to keep pace with inflation.

The delegates were assured that care would be taken to *ensure* that *any industrial action* did not harm pensioners—for example by stopping Post Office workers paying out pensions—and the resolution received the backing of the TUC General Council.

It was proposed by the Transport Workers, whose general secretary, Mr. Jack Jones intends that if pensions are not sufficiently improved by the Government in Phase Three he will press the TUC General Council to organise one hour, half day, and one day protest stoppages.

This is the first time the TUC has gone so far with its campaign for pensioners. Any industrial action would presumably be linked with other protests which the unions might organise in Phase Three on issues such as prices.

The General Council is free, however, to put its own interpretation on what action should be organised. The resolution says that the TUC should "intensify" its pensions campaign and "lead industrial protest action as an essential part of this campaign."

To-morrow the Congress is expected to reject demands to call off its talks, which will lead to Phase Three, with the Government and to boycott the Pay Board. *This will come during* key debates on the economy.

The issue of the relationship between the Labour Party's annual conference—which meets *here in a month's time*—and the Parliamentary Labour Party was raised here to-day in a fraternal speech by the chairman of the Labour Party, Mr. Bill Simpson, of the Engineering Workers' foundry section.

Pressure is being increased for the Parliamentary party to obey conference decisions. Mr. Simpson said to-day that if this did not happen it "could injure not only our chances of success at the polls, but also disrupt the unity of the movement which has been so carefully built up during the last few years."

Mr. Simpson stressed that "for the party and the unions the next few months are crucial. The decisions made in Blackpool this week and in four weeks' time will chart the course of our movement for many months ahead."

In that context, he declared, it was essential to ensure that there was no conflict between *the Parliamentary party and the* conference. The main task was to ensure that "in the run-up to the election we face the people as a united party, with relevant socialist policies to solve the economic and social problems of our country."

Mr. Simpson described the agreement on economic policy reached earlier this year between the Labour Party and the TUC as a "unique document."

It was unique, he claimed, "because for the first time in the history of our movement the trade unions and the party have set out their economic and social objectives well in advance of a general election."

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The bank union battle flares up again Page 23

Bowater moves HQ to Berkeley Square

By Elinor Goodman

THE Bowater Corporation is moving its headquarters out of Bowater House in Knightsbridge, one of the most valuable leasehold office blocks in the West End, to Berkeley Square.

Bowater still has over 20 years to run of a lease from Land Securities on about 250,000 square feet of office space at Bowater House. The rent is well below the current market value. It has been estimated that the lease of the whole building *is* worth well over £8m.

The move will make vacant about 20 per cent. of Bowater House, including the top three floors and the cinema. The rest of the building is already sub-let.

It is understood that the empty space will be modernised and adapted from the special needs of the old Bowater Paper Corporation. It is likely it will then be either sold off or sub-let.

Alternatively, Bowater could move one of its operating subsidiaries into the space. In the circumstances it seems unlikely that the lease will be sold back to Land Securities.

The merged Ralli International Bowater headquarters will move back to Ralli's old offices in Berkeley Square. In addition, Bowater has taken out a lease on 49, Berkeley Square, a Georgian building recently modernised by Compass Securities.

The asking rent for No 49 was £150,000 a year, and in view of the interest shown in the property it seems unlikely that Bowater has got it for much less.

The Bowater interim results for the six months to June 30 *are due to be published on* Friday.

Vauxhall turns in £3.6m. profit for first half

BY DAVID WALKER

A MAJOR profits turnround was achieved by Vauxhall Motors, the British subsidiary of the U.S. General Motors, in the first half *of the current year.*

Pre-tax profits, the company stated yesterday, came to £3.6m. compared fith a loss of £2.55m. in the January-June period of 1972 and an overall deficit last year of £4.1m. in spite of the boom in domestic demand for cars. The figures allow for exceptional factors, including losses resulting from currency realignments.

Big improvement

An operating profit of £7.47m. *was achieved against* an equivalent loss of £444,000 in the corresponding period of last year.

This year's big improvement continues a trend which was becoming apparent in the second half of 1972. For the whole of that year, a trading profit of just over £1m. was recorded, with the pre-tax loss coming after allowances for several extraordinary items.

The advance this time was achieved in spite of the fact that the number of vehicles sold by the company fell. At 141,951 the figure for the six months compares with 143,932 in the corresponding period of 1972.

The fall was recorded against a background of an overall rise in U.K. car sales in the first half of this year, at 916,058 against 869,433 in January-June 1972.

The Vauxhall share of the car *market so far this year* has hovered at around 8.5 per cent. against 9 per cent. in 1972, 10 per cent. in 1971, and as much as 13 per cent. in earlier years.

In the commercial vehicle sector, *on the other hand,* Vauxhall achieved a substantial improvement. Of its total unit sales, 57,061 were commercials—nearly 25 per cent. more than *in the same period last year.* Export sales alone rose from 13,000 to 22,000, with the Bedford marque accounting for 39 per cent. *of* all U.K. truck sales *abroad in the six months.*

Despite the overall downturn in the number of units sold, price rises brought sales up in value terms. The first-half total of £148.9m. compares with £134.6m. in January-June 1972.

Vauxhall has been alternating between small profits and small losses for the last five years, and Mr. Alex Rhea, chairman and managing director, was cautious yesterday in viewing prospects for the year as a whole.

He had hopes that the first-half improvement would be maintained. Demand for cars and commercial vehicles was expected to continue at a good level in the second half, subject to the seasonal factors which normally mean an overall market downturn. The company's order book was fuller than at the same time last year.

A record had been set in August for Vauxhall's U.K. sales of both cars and commercial vehicles, he revealed. This tends to confirm other indications from within the industry that the month was the home market's best ever.

British Gas heading for loss

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

THE BRITISH Gas Corporation made a consolidated profit of £5.7m. in 1972-73, but appears to be heading for a loss of £35m.-£40m. in the current financial year because of the effects of price restraint.

Introducing the Corporation's annual report yesterday, Mr. Arthur Hetherington, the chairman, was severely critical of the Price Commission, which rejected an application for a rise of nearly 5 per cent. in July.

"We are particularly disturbed that the application under the Price Code should have been rejected, on what we regard as a technicality, to which we had *drawn attention when the Code* was being drafted," said Mr. Hetherington.

"It cannot make sense in my view that we should not be able to raise prices, when we are incurring heavy increases in costs, which will cause us to move from a small profit last year to a large loss this year."

Mr. Hetherington claimed that the nationalised gas industry, refused a price rise because its costs per unit of output were falling, should have been treated as an exceptional case.

Although unit costs had fallen by about 6 per cent., overall prices dropped by 7.5 per cent. last year as the volume of sales increased and the change to a natural gas industry proceeded.

Mr. Hetherington pointed out that over the last 10 years the average price of gas per therm had fallen by about 25 per cent., while the average retail price index had gone up by 65 per cent.

"The Price Commission, in rejecting the Corporation's application, has failed to take account of this phenomenon. It is difficult to believe that an industry should be deliberately forced into a loss-making situation through the operation of the Code," he said.

It is clear that any new request by the Corporation would have to be *for considerably more than* the 5 per cent. sought earlier this year. There seems little chance, however, of a claim being lodged much before the end of this year.

The Corporation appears to accept that it stands no chance of gaining approval for an increase under the present Code, and that it will have to try to use whatever influence it has to get the Code changed during the autumn round of discussions on the Government's counter-inflation policy.

The Corporation's £5.7m. profit in 1972-73 was achieved despite industrial disputes which cost the industry £8m. It secured a net return of 7.3 per cent. on *average net assets employed,* a marginal improvement on the target of a 7 per cent. return.

Mr. Hetherington argued, however, that this 7 per cent. target, which incorporates interest, is now totally inadequate for the industry's financial needs, because of the steep rise in interest charges since 1969.

It was essential that adequate provision was made for the cost of replacing existing assets out of current revenues, he declared. That could be done either by allocations from profits to reserve, which at the end of 1972-73 stood at only £25.8m., or by a specific provision in the accounts. Mr. Hetherington estimated that an appropriate amount would be about 2 per cent. on net assets.

Apart from its financial problems, last year was a successful one for the Corporation in many ways. Gas sales rose by 27 per cent. at the same time as the labour force was *reduced by just under 5 per cent.*

On the supply situation, Mr. Hetherington disclosed that its agreement to purchase all production of the major Anglo-*Norwegian Frigg field, east of* the Shetlands, still to be ratified by the Norwegian Government, placed the Corporation in a much better position.

Although he gave a warning earlier this year that the Corporation might not be able to renew some contracts for large users with a firm, that is not interruptible, supply this would no longer be necessary.

"Despite the difficulties of the next few years before new supplis become available, and subject to obtaining a fair market price, *we will be offering to* renew these contracts," Mr. Hetherington added.

Editorial Comment Page 22

Cholera epidemic spreads to Northern Italy

BY ARTHUR SANDLES

CONFIRMED CASES of cholera were reported yesterday in Florence and a suburb of Milan—further indications that the disease has gone beyond the early epidemic area of southern Italy centring on thet Bay of Naples.

There are signs that many British package tourists are refusing to travel to any Italian destination. A total of 1[illegible] people were reported to have died from the disease in Italy by last night.

Three of the biggest package tour companies, Horizon, Clarksons and Thomson, said travellers who did not wish to go to Italy would be offered alternatives. They would have to take what was left on the package tour shelves, however. Unlike those booked for Naples, Sorrento and Capri, they would not be offered vouchers for holidays at some other time.

Officials in Naples and Bari are reporting a downward trend in case confirmations. In Bari province there are about 50 cases.

The Florence case was a 50-year-old woman who had eaten "large quantities" of mussels on a trip to Naples. In Piacenza, near Milan, a 31-year-old woman *recently returned from the* Middle East, also was found to have the disease.

The sale, cultivation, import and transportation of shell-fish is now banned in Italy.

Minister says cholera under control, Page 7

Ulster police to be expanded

BY RHYS DAVID — BELFAST, Sept. 4.

THE POLICE force in Northern Ireland is to be strengthened and expanded to provide an efficent and acceptable service but any changes will take place within the existing structure of the Royal Ulster Constabulary, Mr. William Whitelaw, the Secretary of State, said last night.

Mr. Whitelaw's statement, the clearest definition yet of Government policy on the issue, *was made at a police dinner* in the Province last night. It is obviously intended to end the speculation and rumours about the force so that discussions can take place between the political parties on ways in which effective policing can be returned to all parts of the Province.

The speech was largely an expansion of assurances given by Mr. Edward Heath last week when he spoke to political leaders, and no significant proposals were outlined. Mr. Whitelaw did repeat, however, one suggestion which could serve to make the police force more acceptable in minority areas.

He said he thought the new district councils in the Province should have a role to play in the administration of the police, currently controlled under Westminster by a police authority drawings its membership from all sections of the community.

Machinery would be set up to enable local councils to liaise closely with the divisional commanders of the RUC on matters relating to the policing of their districts. The aim is clearly to ensure that in areas where the minority community dominates, as in Londonderry, the police should be made responsive to local feelings through machinery which will enable district representatives to make their view known.

Mr. Whitelaw said there was a widespread yearning for policing throughout the community, most particularly in those areas which have seen the most trouble in recent years.

Troublemakers had been living well out of violence and strife and it was in their interests to do everything they could to prevent policing, he declared.

He attacked rumour-mongers who had created uncertainty about the police but made it clear that although the efforts to create an efficient and acceptable force would be based on the existing foundations of the RUC, there would still be changes.

Without spelling these out, he said to refuse to contemplate any changes at all in a constantly changing world would be to deny the opportunity to take advantage of new developments and to make improvements based on experience throughout the U.K.

Continued from Page 1

Saudi Arabia oil deals

secret of the fact it wants to renegotiate participation agreements—said the main business of the day was to give the go-ahead for the OAPEC-sponsored dry dock scheme in Bahrain.

He described it as "the next step towards closer industrial co-operation between Arab countries so that Arab money can be used in Arab projects." The project, costing tens of millions of dollars, had been endorsed at OAPEC's last meeting in June but the final agreement was postponed until yesterday to enable further studies to be made.

Dubai, which has been boycotting the Organisation because Bahrain was chosen as the site of the project, is building its own drydock.

The next important meeting of oil producing countries at which the price situation will be raised will be held in Vienna on September 15. At this specially-aranged conference members of the Organisation of Petroleum Exporting Countries (OPEC) will review the effects of inflation on oil prices, possibly producing a formula to revise the basic pricing levels negotiated in 1971.

Just four days before then, however, the OECD's Oil Committee will meet in Paris to try to co-ordinate the position of major oil-consuming nations, faced with demands for higher prices.

Adrian Dicks write from Washington: In its first official reaction to the Libyan week-end takeover of foreign oil companies, the U.S. Government said to-day that it "deeply regrets" the Libyan action as a *breach of the country's obligations* under the oil concessions agreements.

Mr. Paul Hare, the State Department spokesman, said the U.S. *had not had the chance to* study either the text of the nationalisation decree or the comments made in a Press conference yesterday by Mr. Abdel Salem Jallcud, the Libyan Prime Minister.

According to State Department officials virtually no oil from the nationalised fields has been shipped out of Libya since Saturday as a result of insistence by the Libyan Government that the oil companies sign a commitment recognising that 51 per cent. of any oil lifted is under Libyan control.

OECD oil group aims for common price front Page 6

Weather

U.K. TO-DAY

Rain at first, ... Cloudy ... the South ... thundery ... hot, sunny sp... later.

London, S.E. ... England, E. Anglia, ... Channel Is.

Sunny spells after ... or fog, hot, possible ... Wind S.W., light, wa... 27C (81F).

S.W. England, W... Cloudy, rain in places, ... ing brighter. Wind S. ... Max. 23C (73F).

E. and W. Midlands, ... Cent. N. England ... Cloudy, rain in places ... light. Max. 23C (73F). Lake District, I. of Man, ... England, Borders, S.W. Sc... N. Ireland

Mostly cloudy with ... in places. Wind ... variable. Max. 20C ... Edinburgh and E. ... Aberdeen, Moray F... Cloudy with drizzle ... coasts. Wind E. light ... (61F).

Glasgow, C. Highlands ... N.W. Scotland ... Rather cloudy, some ... spells. Wind light and ... Max. 16C (61F).

Caithness, Orkney, Sh... Rather cloudy with ... drizzle. Wind E. light ... 13C ...

Outlook: Mostly ... sunny spells.

Lighting-up: London ... Manchester 20.21, Glasgow ... Belfast 20.33.

BUSINESS CENTRES

	Y'day Mid-day
Alexandria	[illegible]
Amsterdam	[illegible]
Athens	[illegible]
Beirut	[illegible]
Belfast	[illegible]
Belgrade	[illegible]
Berlin	[illegible]
Birmingham	[illegible]
Bristol	[illegible]
Brussels	[illegible]
Budapest	[illegible]
B. Aires	[illegible]
Cairo	[illegible]
Cardiff	[illegible]
Cologne	[illegible]
Copenhagen	[illegible]
Dublin	[illegible]
Edinb'rgh	[illegible]
Frankfurt	[illegible]
Geneva	[illegible]
Glasgow	[illegible]
Helsinki	[illegible]
H. Kong	[illegible]
Jo'burg	[illegible]
Lisbon	[illegible]
London	[illegible]
Luxembourg	[illegible]

HOLIDAY RESORTS

	Y'day Mid-day
Ajaccio	[illegible]
Algiers	[illegible]
Barcelona	[illegible]
Biarritz	[illegible]
Blackpool	[illegible]
Bordeaux	[illegible]
Boulogne	[illegible]
Casablanca	[illegible]
Cape Town	[illegible]
Corfu	[illegible]
Dubrovnik	[illegible]
Faro	[illegible]
Florence	[illegible]
Funchal	[illegible]
Gibraltar	[illegible]
Guernsey	[illegible]
Innsbruck	[illegible]
Inverness	[illegible]
I. of Man	[illegible]
Istanbul	[illegible]

S—Sunny, C—Cloudy. ... D—Drizzle.

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